Ministry of Forests and Range and Minister Responsible for Housing

2006/07 Annual Service Plan Report

BRITISH COLUMBIA

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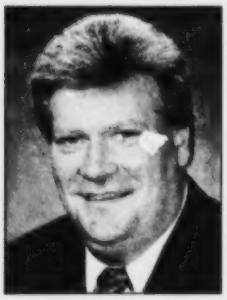


Message from the Minister and Accountability Statement

The Ministry of Forests and Range made significant progress on its service plan goals during 2006/07.

An updated Mountain Pine Beetle Action Plan outlines 72 actions to ensure the economic, social and environmental challenges of the infestation are met head-on. The Ministry continued to: protect and improve forest health; encourage long-term economic stability for communities affected by the infestation and the province as a whole; explore innovative uses for beetle wood, including bioenergy; and manage fire and flood risks associated with the infestation.

This past year also marked the signing of a fair, workable Softwood Lumber Agreement with the United States, which came into effect in October. The new agreement saw the end of costly litigation and the return to B.C. companies of approximately US $2 billion in duties collected by the United States since May 2002.

We made significant progress toward making our forests safer — both for those who work in the woods, and those who live near them. Working closely with the B.C. Forest Safety Council, Ministry of Labour and Citizens' Services, WorkSafeBC and forest companies, we strengthened a new culture of safety for forest workers. Investments in 70 community wildfire protection plans and more than 80 fuel management projects will help protect our forests and surrounding communities from the threat of interface fires.

To address the long-term economic development needs of First Nations, the Province has now signed forestry agreements with 127 First Nations, providing $166.5 million in revenue and access to 24.4 million cubic metres of timber.

As Minister Responsible for Housing, I am pleased with the success we have had over the past year in addressing the housing needs of British Columbians.

In the fall, we launched Housing Matters BC, our comprehensive housing strategy that covers a range of options along the housing continuum — from homelessness to home ownership.

We introduced the Rental Assistance Program, providing direct rent subsidies to help up to 20,000 working families access affordable, appropriate housing. We also expanded the Shelter Aid for Elderly Renters program to assist even more seniors with their housing needs.

Building on the work of the Premier's Task Force on Homelessness, Mental Illness and Addictions, the successful homeless outreach program was expanded to 18 communities where workers engage homeless people directly, helping them access housing, income assistance, and other supports.

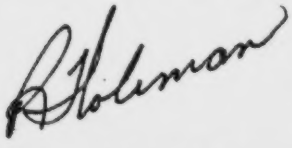
We committed to build 758 units of new supportive housing through the Provincial Homelessness Initiative, as well as 550 new assisted living spaces for seniors through Independent Living BC. We protected 709 affordable housing units through the purchase of 15 buildings in Vancouver, Victoria and Burnaby and committed to fund an additional 287 new supportive housing units on city-owned land in Vancouver.

We are working with the Aboriginal Housing Management Association to address the housing needs of Aboriginal people living off reserve. The $51 million Aboriginal Housing Initiative will provide a range of housing options for families, youth and elders.

To strengthen its ability to provide information and support to landlords and tenants, the Residential Tenancy Branch has revised its procedures for managing case information, simplified its forms, and hired additional dispute resolution officers as well as additional information officers to answer public inquiries.

We have made significant progress toward modernizing the building safety regulatory system in B.C. by working closely with those involved in the industry. Strategies for achieving safety in the design, construction and occupancy of buildings will be refined and implemented over the coming year.

The 2006/07 Ministry of Forests and Range and Minister Responsible for Housing Annual Service Plan Report compares the actual results to the expected results identified in the Ministry's *2006/07–2008/09 Service Plan*. I am accountable for those results as reported.



Honourable Rich Coleman
Minister of Forests and Range
and Minister Responsible for Housing

June 15, 2007

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Section A
Ministry of Forests and Range
Highlights of the Year

During 2006, Canada signed a softwood lumber agreement with the U.S. providing certainty for B.C.'s forest companies and returning over $2 billion in duties to B.C. companies. As well, during 2006 the Ministry intensified its assessment of how climate change will affect B.C.'s forest and range resources and worked with local governments on community wildfire protection plans and fuel management projects.

There were also many accomplishments towards achieving the Ministry goals:

Goal 1 — Sustainable Forest and Range Resources

- Seventy community wildfire protection plans and more than 80 fuel management projects were funded.
- An updated Mountain Pine Beetle Action Plan was released in September 2006 outlining 72 actions to help B.C. achieve sustainability for forests, communities and the provincial economy.
- Under the Forests for Tomorrow program 2 500 hectares of area affected by the mountain pine beetle and fire were planted, 36 000 hectares were assessed for future treatment, and 12 600 hectares were readied for planting in 2007/2008.
- The Forest and Range Evaluation Program designed to evaluate the effectiveness of B.C.'s forest and range policies and practices was recognized with a Level 1 certification by the National Quality Institute.
- Implementation of a pilot rangeland ecosystem restoration project was undertaken in two forest districts.
- A comprehensive review was completed of the Ministry's forest resource inventory program.
- The Chief Forester released a report, *Preparing for Climate Change: Adapting to Impacts on British Columbia's Forest and Range Resources*, which outlined 13 short-term actions the Ministry of Forests and Range could take in response to the opportunities and risks associated with climate change.

Goal 2 — Sustainable Forest and Range Benefits

- The Softwood Lumber Agreement came into force on October 12, 2006 and more than US $2 billion in duties collected by the U.S. since May 2002 were refunded to B.C. companies.

— BC Timber Sales registered with the BC Forest Safety Council, marking its intention to achieve SAFE Companies certification in 2007/08, and as of April 1, 2007, is requiring registration of operators and companies operating in the field on BC Timber Sales contracts and licences.

— A structural review of BC Timber Sales was completed and BC Timber Sales was recognized as a high performing organization at the 2006/07 Premier's Awards receiving a Finalist Award in the category of Organizational Excellence.

— The Interior Scaling Advisory Committee, comprised of Ministry staff and forest industry partners was a finalist in the Premier's Awards in the category of Service Excellence.

— Continued implementation of policy changes associated with the Forestry Revitalization Plan, including timber reallocation through the issuing of five new Community Forest Agreements, the invitation of 12 communities to apply for a community forest, and 49 tenures offered to First Nations as part of interim agreements.

— Since 2002, the Province has reached forestry agreements with 127 First Nations, giving access to 24.4 million cubic metres of timber and providing $166.5 million in revenue. This includes 110 Forest and Range Agreements / Forest and Range Opportunity Agreements and 47 direct award tenures, 21 of which are to harvest mountain pine beetle affected timber.

— Through the mountain pine beetle initiative, the Ministry worked with affected First Nations to develop the First Nations Forestry Council. The Council is working with First Nations to support their involvement in provincial level initiatives on land use planning, fuel management, forest sciences, cultural inventories, and economic diversification.

Goal 3 — A Highly Effective, Innovative and Responsive Organization

— The result of the Ministry's BC Public Service Workforce Engagement Survey was 63 per cent compared to Public Service Average of 58 per cent. This reflects improved morale from continued work on the Ministry's Road Ahead revitalization strategy, especially in the areas of empowerment; teamwork; professional development; and respect, creating a mentoring culture and fostering a learning organization.

Purpose of Ministry

Since its establishment in 1912 as the Forests Branch, the Ministry of Forests and Range (also known as the Forest Service) has continued to protect the public's interest and provide leadership in the protection, management and use of the province's forest and rangelands.

A Proud Tradition of Service Since 1912

The Forest Service is the main agency responsible for the stewardship of 47 million hectares of provincial forest land and fire protection services for 84 million hectares. The Ministry has a broad and general mandate (see Appendix A for a link to legislation), to manage and conserve forest and range resources for short- and long-term socio-economic benefits, to protect and sustain forest productivity and to encourage competitive forest and range industries, while asserting the financial interests of the Crown.

Managing provincial forests and range resources presents a unique and complex set of challenges. More than 90 per cent of British Columbia's forestlands are publicly owned, which means the provincial government, on behalf of the public, plays a much more prominent role in the forest sector than its counterparts in other forestry jurisdictions.

The Ministry of Forests and Range coordinates the B.C. government response to the mountain pine beetle epidemic and is working with a number of ministries and the federal government to minimize and mitigate negative environmental and socio-economic impacts of the infestation, while recovering the greatest value and protecting public health, safety and infrastructure. Pine forests dominate the interior of B.C. and their loss has significant implications for the forest environment, economy and the communities that depend on those forests for sustainability.

The Forest Service is responsible for one Crown Agency, Forestry Innovation Investment Ltd., which has a role in the marketing and development of forest products.

The Ministry pursues its goals in a consultative manner with the public, forest and range industries, and other Crown agencies, while recognizing the unique interests of Aboriginal people. This is enabled through a three-tiered decentralized organizational structure (headquarters — regions — districts) that brings the Ministry close to our clients and stakeholders throughout the province. Some delivery methods unique to specific services include:

- Third-party delivery agents are used to provide proposal evaluation, project management and audit functions to increase accountability and efficiency with the Ministry acting in a monitoring role.

- Fire protection services are commonly delivered through local and international agreements.
- Research and development activities are coordinated through multi-stakeholder research and innovation groups such as the Forest Science Board, Forest Genetics Council, several Canadian Council of Forest Ministers' working groups and the Canadian Forest Innovation Council.

In keeping with the public service ethic, Ministry staff work at all times to earn the public's trust as they make the day-to-day decisions, which ensure that all British Columbians can look forward to sustainable forests and range and a strong forest economy now and in the future.

Forest and range values in the Ministry's vision statement refer to the social, economic and environmental values associated with our forest and range resources. Economic values include timber, forage and fisheries resources that contribute to our economy. Environmental values include soil, water, fish, biodiversity, and wildlife. Social values include recreation resources, visual quality, resource features, and cultural heritage resources. These values are converted into socio-economic benefits for the British Columbians who obtain their livelihood and recreation from B.C.'s forests, and for all British Columbians who benefit from the Crown revenue collected.

Vision

Diverse and sustainable forest and range values for B.C.

The Ministry of Forests and Range is commissioned in the *Ministry of Forests and Range Act* to protect, manage and conserve the forest and range values identified above. The mission includes people working together demonstrating the organizational values and creating a high-performing organization.

While our vision and mission brings focus and clarity to what we are working towards, our organizational values: integrity, accountability, innovation and respect, guide management and staff in their decision making processes and set the basis for the way we meet our business objectives, the way we work with each other and the way we interact with clients, partners, and others.

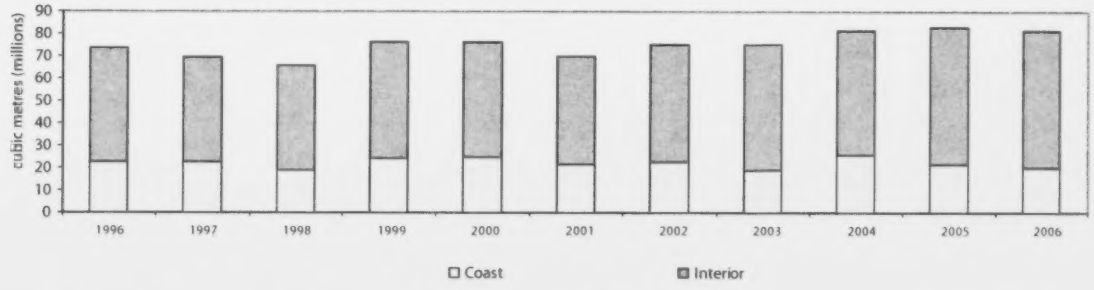
Mission: *To protect, manage and conserve forest and range values through a high-performing organization.*

Strategic Context

Environmental Trends

Globally, the total amount of forest area has been decreasing, but the rate of loss is slowing due to activities such as forest planting and natural expansion of forests on abandoned land. In Canada, there has been no significant change in the total forest area over the last 15 years. In British Columbia, less than 0.3 per cent of the forest is logged each year. In 2006, the B.C. timber harvest was 81.5 million cubic metres — about 2.2 per cent lower than the 2005 harvest (see Figure 1). Although historically there are fluctuations in the annual harvest level, the 2006 harvest is about nine per cent higher than the ten-year average harvest which is primarily due to accelerated harvesting of beetle-killed wood in the interior of the province.

Figure 1: B.C. Coast and Interior Annual Timber Harvest 1996–2006



Most of Canada's rangeland is contained in the four western provinces. In B.C. about 85 per cent of the land area used by the ranching industry is owned by the crown. Environmental issues, such as those involving water quality and the loss of rangelands due to encroachment by invasive plants, continue to be ongoing challenges in the management of rangelands. In 2006 rangeland activities in B.C. continued to be dominated by cow-calf operations.

The mountain pine beetle continues to devastate the mature pine forest in the interior of the province. Lodgepole pine is a major feature of many ecosystems, making up more than half the interior's annual timber harvest, and is critical to the economic, social and cultural well-being of the province of B.C.

The Ministry projects that 80 per cent of the merchantable pine in the province's central and southern interior could be killed by the beetle by 2013. The total volume of trees

infested by the mountain pine beetle increased in 2006, affecting 582 million cubic metres of timber, up from 411 million cubic metres in 2005. Mitigating the economic and environmental impacts from the mountain pine beetle will be ongoing over the next several years, as outlined in the province's Mountain Pine Beetle Action Plan.

Mitigating potential long-term environmental consequences in our forests and rangelands due to climate change continues to be a key challenge at the provincial, national and international levels. In British Columbia climate change may increase forest and range productivity in certain areas of the province. However, it may also contribute to continued insect and disease outbreaks, forest-damaging events such as ice storms, floods and droughts, a shorter winter logging season and a longer fire season. It also has implications for rangelands, including wildlife habitat and the spread of invasive plants.

Social Trends

World population continues to rise but the rate of natural population increase (births minus deaths) has slowed and the median age of the world's population is rising. In Canada, the population growth rate has surpassed the global average due to high rates of immigration.

In British Columbia, partially due to the province's aging population, it continues to be challenging to attract and retain young skilled people in both the forest and range industries. In addition to finding ways to replace retiring employees with qualified workers, the need to effectively transfer knowledge and expertise from more experienced employees to younger co-workers also continued to challenge the sector in 2006.

The ranching sector also reports difficulties related to business succession. Fewer young people are indicating a willingness to take over the family farm or ranch, or take the significant financial risk of investing in a ranch.

Enrolment in post-secondary forestry programs continues to decrease and is adding to the difficulty to recruit qualified workers into the forest sector. In early 2007, the B.C. Institute of Technology announced its two forestry programs would be closing due to low enrolment. As well, the majority of students who pursue an advanced education in forestry now come from urban and suburban areas. As a result, few students are entering forestry programs with a practical understanding of forestry. The urgency to address declining enrolment is increasing, especially as the role of forestry professionals, and society's expectations of them, grows.

The population of British Columbia includes large, culturally diverse and geographically dispersed First Nations populations. Many Aboriginal communities are located in forested areas and have active land claims in place for ownership of land allocated for forestry activity. Since 2001, the Province has been working with First Nations to provide economic growth and opportunities, especially in traditional areas like forestry. Government remains committed to strengthening relationships with First Nations based on reconciliation, recognition and constructive consultation on social and economic issues.

Safety in the forest industry continued to be a concern in 2006/07 and the Province strengthened its commitment to improving worker safety, working closely with the BC Forest Safety Council and WorkSafeBC on a wide range of operational and policy issues as well as asking the Auditor General to conduct a review of forestry legislation and regulation with a view to implications for forest worker safety.

Economic Trends

The economic circumstances of the B.C. forest industry are continually changing as a result of many factors including: global competition for market share; the implementation of the Softwood Lumber Agreement between Canada and the U.S.; continued consolidation within the sector; reduced demand and declining commodity prices; the strong value of the Canadian dollar against the U.S. dollar; aging capital assets and low returns on capital.

The economic circumstances in the ranching sector are similarly difficult as the lower U.S. dollar affects the value of Canadian beef and live cattle exports to the United States, thereby putting downward pressure on the price of feeder cattle shipped out of B.C. to Alberta and beyond. Trade restrictions on the export of mature cattle due to the occurrence of Bovine Spongiform Encephalopathy, were removed in 2006, marking the first full year the United States border was open to Canadian cattle shipments since 2002. Despite the removal of trade restrictions, Canadian cattle herds, of which B.C. comprises approximately five per cent of the Canadian total, declined in 2006.

World competition in the global forest industry is increasing and returns are tight. Many countries are emerging as potential customers of B.C. forest products (e.g., China, India and Indonesia) while others are becoming strong competitors (e.g., China, Russia, European countries and Brazil). Given that approximately 80 per cent of the sales by the B.C. forest industry continue to be destined for non-Canadian markets, there was continuous pressure to maintain and improve the forest sector's competitiveness. This pressure was intensified by the relatively low returns available in the sector. PricewaterhouseCoopers estimates that for listed Canadian companies, nearly half of which are based in B.C., the average return on capital employed was 4.6 per cent in 2006 — well below the target of 10–12 per cent.

In 2006, numerous company mergers and acquisitions occurred in the forest industry with North America continuing to lead the activity in dollar value, followed by Europe. Many deals occurred in the Asia Pacific region; however the dollar value was significantly less than those of North America and Europe. Several transactions were also executed in Brazil, China, India, Malaysia, Mexico, Poland and Russia.

In 2006, Canada and the U.S. reached an agreement to end the trade dispute over softwood lumber. The agreement took effect on October 12, 2006 and has a term of seven years. As a result of the agreement, B.C. forest products are no longer subject to U.S. countervailing and anti-dumping duties; however, an export tax is imposed when lumber prices fall below $355 per thousand board feet. Unlike the countervailing and anti-dumping duties, funds collected as a result of the border measure will remain in Canada. Since the agreement came into effect lumber prices have remained below $355 and as a result applicable B.C. forest products have been subject to the export tax at a 15 per cent rate.

Lumber prices trended downwards in 2006 (see Table 1) as a result of reductions in U.S. lumber consumption due to a decline in housing starts, rising interest rates and higher energy prices. The price of hemlock baby squares, a key coastal lumber product used in the construction of traditional post and beam Japanese houses, increased in the last quarter of 2006 (see Table 1).

Table 1: Commodity Prices

Product	Unit	Annual Average 2006	Annual Average 2005	Annual Average 2004
Spruce Pine Fir 2X4	US$/000 bd. ft.	296	355	392
Hemlock Baby Squares	US$/000 bd. ft.	584	540	613
Northern Bleached Kraft pulp	US$/tonne	675	611	615
Newsprint	US$/tonne	667	608	550

Source: Madison's Canadian Lumber

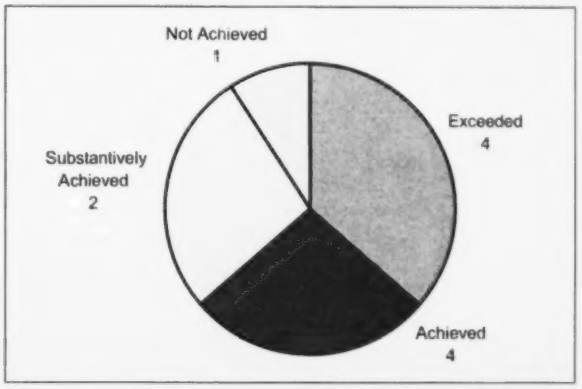
Pulp and paper prices rose throughout 2006 (see Table 1). Despite the strong prices, the B.C. pulp and paper industry will continue to struggle to remain profitable due to its aging capital, the relatively small size of the industry in comparison to international competitors, competition from different types of pulp, non-wood pulp and technological alternatives to paper, as well as rising energy costs. Due to the interconnectedness between the pulp and paper and lumber industries, the strength of the pulp and paper industry is an important factor in the health of the entire B.C. forest industry.

Throughout 2006 the Canadian dollar was strong against the U.S. dollar peaking at over 91 U.S. cents in May. The strong Canadian dollar will continue to impact the B.C. forest industry by increasing the relative cost of production in B.C., and reducing B.C. companies' profits as most forest products are sold in U.S. dollars.

Report on Performance

The Ministry's progress in achieving its goals and objectives can be assessed through performance measures and a comparison of actual results with targets. The B.C. Reporting Principles have been used to inform the preparation of the Report on Performance section.

Of the eleven Performance Indicators used by the Ministry in 2006/07 to report on progress toward achieving its objectives and goals, eight achieved or exceeded projections, two substantively achieved projections, and one projection was not achieved.



Although many of these indicators are outside the full influence and control of the Ministry, they are tracked to show progress towards the Ministry's goals.

The Performance Measurement Summary Table summarizes the Ministry's progress towards its performance targets. Explanations of each measure and its performance target achievements are provided in the following sections.

Performance Plan Summary Table

Goal 1: Sustainable Forest and Range Resources For greater detail see pages 18 to 30	2006/07 Target	2006/07 Actual
1.1 Wildfire and forest pests are prevented and managed		
Per cent of wildfire contained at < 4 hectares (on a five-year rolling average)	92%	92% ACHIEVED
Per cent of mountain pine beetle Aggressive Emergency Management Units that achieve treatment targets	80%	71% SUBSTANTIVELY ACHIEVED
1.2 An effective forest practices and policy framework		Measured internal to the Ministry
1.3 Advice to decision makers is guided by the principles of sustainability and best available science		Measured internal to the Ministry
1.4 Forest resources are restored or improved		
Ratio of area reforested to area harvested or lost to fire and pest (on a five-year rolling average)	0.69 Published; Revised to 0.91	0.90 ACHIEVED
1.5 Forest Practices are continually improved and publicly reported		Measured internal to the Ministry
1.6 Crown range is healthy, sustainably managed and allows for optimum use of Crown forage through effective tenuring		
Per cent of available Crown range under a form of tenure	95%	94% ACHIEVED
1.7 Compliance is promoted and statutory obligations are enforced		
Per cent of forest operator's compliance with statutory requirements that regulate forest practices.	94%	96% EXCEEDED
1.8 Sustainable forest management is fostered through incremental improvements to the public forest asset base		See annual reports generated by Forest Investment Account third-party administrators

Goal 2: Sustainable Forest and Range Benefits For greater detail see pages 30 to 41	2006/07 Projection	2006/07 Actual
2.1 Use of allowable annual cut is optimized through effective tenuring		Measured internal to the Ministry
2.2 Fair market value for the use of public forest and range resources		
Crown forest and range gross revenue	$ 1.073 B	$1.197 B EXCEEDED
2.3 Improved access to markets for B.C. forest products		Measured internal to the Ministry and by Forestry Innovation Investment Crown Corporation for Asia Pacific Markets
2.4 Long term economic stability is encouraged for communities affected by the mountain pine beetle epidemic		
Per cent of mountain pine beetle impacted communities covered by a mountain pine beetle socio-economic adjustment plan	Establish targets	Targets established in the 2007/08 Service Plan ACHIEVED
2.5 A reliable and environmentally sound forest road network		
Per cent of Recreational, Community and General Use Forest Service Road kilometres maintained by the Ministry which are available for vehicle use	>94%	92% SUBSTANTIVELY ACHIEVED
2.6 Increased First Nation opportunities for participation in the forest sector; stability on the land based; and forestry operations that respect First Nation interests on the land base.		
Total number of Forest and Range agreements signed with First Nations	90	110 EXCEEDED
2.7 Using sound forest management, net revenue to the Province is optimized and a credible reference point for costs and pricing of timber harvested from public land in B.C. is provided		
2.8 Opportunities are provided for BC Timber Sales customers to purchase timber in an open and competitive market		
Per cent of total volume available auctioned by BC Timber Sales	16%	18% EXCEEDED

Goal 3: Highly effective, innovative and responsive organization For greater detail see pages 41 to 43	2006/07 Projection	2006/07 Actual
3.1 An effective, innovative and responsive management framework and infrastructure that supports the achievement of Ministry goals and objectives		
Per cent of British Columbians who feel the Forest Service effectively protects and manages our public forests.	> 73%	62 % NOT ACHIEVED

Goals, Objectives, Strategies and Performance Results

This section details the results of performance measures linked to the objectives under each of the Ministry goals. In addition, strategies have been restated to briefly indicate what has been done in advancing the objectives over 2006/07.

Goal 1: Sustainable Forest and Range Resources

This goal is the foundation of all Ministry of Forests and Range functions. B.C.'s forest and range resources will not be available for use now and in the future, if they are not managed sustainably today. In addition, the global definition of sustainability is undergoing constant review and refinement, and this dialogue will no doubt inform the Ministry's strategic planning as it addresses issues like climate change and an effective response to the mountain pine beetle epidemic.

The entire forest sector including forest and range licensees, the public, other agencies and groups all have influence on the achievement of this goal. For this reason, achievement of the goal is best assessed by looking at long-term trends in attributes of forest and range resources, such as forest soil and water capacity, range carrying capacity and timber productivity. Detailed assessments of these attributes are published periodically in the Ministry's State of B.C.'s Forests Report.

Objective 1.1: Wildfire and forest pests are prevented and managed

This objective reflects the Ministry's intent to protect forest and range resources and investments by minimizing losses and mitigating future risks from wildfire and forest health infestations, including insect pests, diseases and invasive plants. Wildfire and forest pests are managed and reported separately.

FIRE MANAGEMENT

Achieving this objective for wildfire depends on the severity of hot dry weather, ground fuel accumulations, and availability of trained crews, equipment, air tankers and other resources. Preparedness, in the form of having crews and resources available, is the best way to address the risk of wildfire associated with hot, dry weather. Availability of resources depends on partnerships with the federal government, local governments, communities and the forest industry, which the Ministry pursues as a key strategy.

Heightened fire conditions and budget pressures have placed growing demands on emergency response agencies throughout the world, promoting the need to establish broad-scale alliances between fire management organizations. The deployment of B.C. personnel to Australia in January 2007 (see sidebar next page) demonstrates that wildland fire expertise and resource sharing is possible, not only within Canada but across the globe, and exemplifies the Protection Program's vision of providing Global Excellence in Wildfire Management and Response Services.

Strategies

a) Fires were prevented and their impact reduced through implementation of the new *Wildfire Act* and streamlined regulations.

b) Continued renegotiation of agreements with utilities and development of new agreements with other sectors was undertaken to ensure fair cost-recovery for fire protection activities.

c) Continued implementation of the fuel management strategy in wildland urban interface areas throughout B.C. This includes working with the Union of British Columbia Municipalities and First Nations organizations to heighten community awareness through the promotion of FireSmart programs and by assisting communities in developing strategies to identify and reduce the threat from wildfires.

B.C. helps Australia fight forest fires

In January 2007, the B.C. Ministry of Forests and Range, Protection Program was requested by the State of Victoria, Australia to assist local agencies in managing some of the largest fires in Australia's recorded history. On very short notice, the Ministry responded to this request with the deployment of 52 personnel for six weeks to assist with the management of large-scale incidents that threatened local communities. A cooperation agreement between British Columbia and the State of Victoria served as the foundation for this resource exchange and is the result of a decade-long relationship.

"Having such high level incident management capabilities made a big difference. We were overall very impressed with the abilities and professionalism of the personnel from B.C."

— Liam Fogarty, Chief Officer, Department of Sustainability and Environment, State of Victoria, Australia

Performance Indicator	2002/03 Baseline	2004/05 Actual	2005/06 Actual	2006/07 Target	2006/07 Actual
Per cent of wildfire contained at less than four hectares (on a 5-year rolling average)	93%	92%	92%	92%	92% ACHIEVED

Data Source: Forest Service Historical Fires Statistics Database.

Discussion of Results

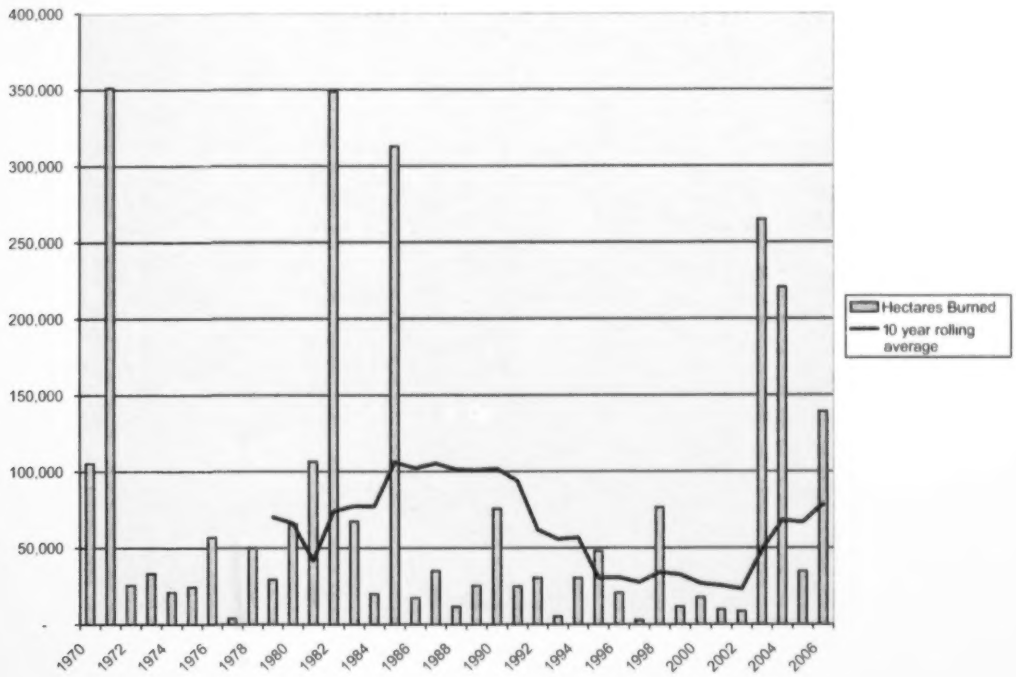
This is a measure of the Ministry's success rate for initial attack on wildfires, as an estimate of fires less than four hectares in final size. If fire size is kept to less than four hectares, damage and costs for fire suppression are minimized.

In 2006/07 there was no significant variance from target.

Alberta and Ontario both track success of initial wildfire attack. Alberta's most recent published target is 90 per cent (2002 to 2005), but actual performance data could not be obtained. The last published data for Ontario shows an initial attack success rate of 96.4 per cent in

2001. While the information can not be compared directly year to year, it appears that all three jurisdictions target and achieve initial wildfire attack success rates between 90 and 96 per cent. Differences in land ownership, policy, access, forest type and climate conditions account for the 6 per cent variation.

Figure 2. Total Hectares Lost to Unwanted Fire



FOREST HEALTH

The Ministry's ability to prevent forest pest infestations is largely influenced by our prediction of insect population cycles, ongoing monitoring and detection. The Ministry coordinates research and modeling of insect populations with other agencies, and ensures that an aerial overview survey of provincial forests is done each year to detect new or growing infestations. Managing forest pests is done in partnership with the federal government and forest industry, and in the case of an epidemic with economic impacts like the mountain pine beetle, in coordination with communities, First Nations and other government agencies.

Strategies

a) Early detection and treatment of insect infestations other than mountain pine beetle, included gypsy moth and other defoliators.

b) Monitoring and evaluating forest health status and implementation of best management practices were undertaken in support of the timber supply review and protection of the eleven resource values under the *Forest and Range Practices Act*.

c) Mountain Pine Beetle Action Plan implementation included:

- Maintaining and protecting public health, safety and infrastructure by reducing catastrophic wildfire risk to communities within beetle-affected areas;
- Controlling mountain pine beetle infestations to prevent or reduce damage to forests in areas that are susceptible to but not yet experiencing epidemic infestations;
- Minimizing or eliminating the potential for infestation spread from Crown forests, including provincial parks, into Alberta, the boreal forest, or other high value parks and protected areas; and,
- Mitigating the impact on provincial parks and protected areas.

As part of the Province's commitment to report on the $100 million in federal funding which supports the Mountain Pine Beetle Action Plan, nine performance measures for the nine programs under this plan were included in an Appendix to the 2006/07 Ministry of Forests and Range Service Plan. A report on the Action Plan and these measures is included in Appendix B.

Performance Indicator	2004/05 Actual	2005/06 Actual	2006/07 Target	2006/07 Actual
Per cent of Mountain Pine Beetle Aggressive Emergency Management Units that achieve treatment targets	75%	69%	80%	71% SUBSTANTIVELY ACHIEVED

Data Source: Aerial and ground surveys and treatment records.

[1] 2004/05 data represents Emergency Bark Beetle Management Areas treated by Ministry of Forests and Range directly (primarily parks and protected areas).

[2] In 2005/06 Emergency Bark Beetle Management Areas incorporated all Crown forest areas treated under the Mountain Pine Beetle Action Plan, as per a policy change in September 2004, which led to the Ministry being responsible for forest health on all Crown forest areas.

[3] In 2006/07, Emergency Bark Beetle Management Areas were divided into Aggressive Emergency Management Units, Containment / Holding Beetle Management Units and Special Management Units. This refinement was necessary to hone the Government's strategy to focus funding on the highest priority areas where there is an opportunity to stop or reduce the rate of spread of the beetle. The 2007/08 Ministry of Forests and Range Service plan includes and targets Special Management Units at 100% treatment.

Discussion of Results

The mountain pine beetle infestation continues to expand. By fall 2006, the beetle had attacked 9.2 million hectares to varying degrees of severity. Detailed aerial and ground detection is used to map the spread of the beetle and to locate sites that present an opportunity to stop or reduce the rate of spread of the beetle. These sites lie within Aggressive Emergency Management Units where new infestations are managed through targeted small-block harvesting, falling and burning, use of pheromone baits, or other methods.

In 2006/07, an unexpected increase in attack occurred in the Peace Forest District and into Alberta, reaching east as far as Slave Lake. An unusual weather event coinciding with the peak of beetle flight caused the mass migration. Consequently, once the new situation was assessed, treatment strategies were realigned to focus on limiting spread along the periphery of the new outbreak area while curtailing treatment efforts in over-run areas. The large increase in new attacks resulted in the reduction in achievement of targets. Fortunately, winter beetle mortality has been very high this year but the extent of the attack will result in a significant revision to the management approach in this forest district. The southern portion of the border has been treated successfully to minimize spread into Alberta and Alberta continues to achieve 100 per cent of their suppression targets on the east slopes of the Rockies. B.C., Alberta and National Parks Canada communicate regularly to coordinate spread control efforts along the border.

Objective 1.2: An effective forest practices and policy framework

The forest practices and policy framework is managed to achieve Government's goals through setting standards, developing and reviewing policies and legislation, and managing non-statutory information.

The Ministry manages the risk to achieving this objective by working with professional associations, a minister's advisory council and through regular discussion with communities, the public, and other stakeholders and effective consultation with First Nations.

Strategies

a) The forest practices and planning framework continued to be jointly evaluated, improved, and managed based on the best available science. Researchers led or participated on the soil, fish/riparian, biodiversity, and forage resource value teams, and provided technical advice to assist in implementing the *Forest and Range Practices Act* at the operational level.

Science in Action

Research on the effects of cattle grazing on plant species composition, soil compaction, and tree growth on rehabilitated forest landings was completed in the central interior of B.C. and will be used to inform policy related to forage resources.

b) Maintaining *Forest and Range Practices Act* working relationships with agencies, licence holders, professional associations and other parties included the Minister's Practices Advisory Council, the Provincial *Forest and Range Practices Act* Implementation Team, work on developing professional standards with the Association of B.C. Forest Professionals, the College of Applied Biology, the B.C. Institute of Agrologists and the Association of Professional Engineers and Geoscientists of B.C.

c) Work on the non-statutory framework focused on facilitating discussion of a paper titled "The Expectations That Affect the Management of Public Forest and Range Lands in B.C.: Looking Outside the Legislation."

Objective 1.3: Advice to decision makers is guided by the principles of sustainability and best available science

Statutory decision makers in Ministry of Forests and Range and other agencies are supported by decision tools built from the best available science and analysis. These decisions include determination of Allowable Annual Cut, establishment of Visual Quality Objectives, identification of resource features and operational plan determinations. Achieving this objective depends on coordinated and cost-effective analysis and sound decision making, keeping pace with methodologies to reflect new knowledge and policies and the increasing emphasis on second growth harvest in coastal forests.

Strategies

a) Research and forest analysis to support policy development and statutory decision making, included completion of 30 year measurements and analyses for an Interior Douglas-fir provenance test.

b) Implementation of processes to ensure consistent and science based evaluations of plans submitted for approval, included development of an Administrative Guide to Forest Stewardship Plans for decision makers, government and licensee staff, and documentation designed to guide Designated Decision Makers in their adjudication of Forest Stewardship Plans.

c) To ensure adequate protection of visual quality and resource features, Visual Quality Objectives, or Objectives set by Government for Visual Quality were set for all scenic areas in the province by March 31, 2006.

d) Support for the Chief Forester's Timber Supply Reviews in 2006/07 included completion of Allowable Annual Cut reviews for five tree farm licenses and four timber supply areas including a mountain pine beetle related Allowable Annual Cut uplift for the 100 Mile House Timber Supply Area. In addition twelve Allowable Annual Cut decisions were made reflecting the impact of new designated areas associated with land use plans on the Central and North Coast and with Haida Gwaii/Queen Charlotte Islands.

Objective 1.4: Forest resources are restored or improved

Restoring and improving forest resources is achieved through improving gene and seed resources, growing improved seedlings, reforestation and other silviculture activities. These activities are supported by:

- quality inventory and data management,
- operational monitoring of forest practices and the outcomes of licensee strategies,
- maintenance of long-term environmental monitoring studies,
- testing of tree-seed parent characteristics,
- analyses of greenhouse gas emissions and carbon credits,
- measuring site productivity, and
- predicting the growth and yield resulting from specific activities.

Many of these activities are undertaken collaboratively using multi-stakeholder committees and inter-agency partnerships. The level of funding available largely determines the extent that this objective can be achieved. Specific funding is allocated from the Forest Stand Management Fund, the South Moresby Forest Replacement Account, the Forest Investment Account, the Forests for Tomorrow Program, and the Mountain Pine Beetle Action Plan.

Strategies

a) Reintegrating the inventory program into Forest Service operations included completion of a comprehensive Inventory Program Review, establishment of the Vegetation Inventory Advisory Council, and substantial progress on a new database and management system for the Province's inventory.

b) The monitoring of 455 cutblocks for stand level biodiversity and 297 streams for riparian values was completed under the provincial Forest and Range Practices Act Resource Evaluation program and the Resource Stewardship Monitoring program. Intensive evaluations were conducted for partial cutting, free-growing and forest worker safety.

c) Multiple species seed and seedling requirements for reforestation were addressed under the Forests for Tomorrow program through development of policies for reforesting areas with a single species or a mixture of species. A mountain pine beetle seed strategy was developed.

d) A strategic planning framework, the Wildland Fire Management Strategy of British Columbia, was established to proactively manage the risks of fire to achieving forest management goals.

e) Work was undertaken with the Ministry of Environment to further policy on carbon credits and climate change.

Climate Change and Future Forest Ecosystems

The Future Forests Ecosystem initiative launched by the Chief Forester will look at the impacts of climate change on forestry by producing high-resolution spatial data and modeling current and future climate change scenarios to assist in revising species selection guidelines to maximize future forest productivity and forest health.

Performance Indicator	2004/05 Actual	2005/06 Actual	2006/07 Projection	2006/07 Actual
Ratio of area reforested to area harvested or lost to fire and pest (unsalvageable losses)	1.01	0.94	0.91	0.90 ACHIEVED

Data Source: The ratio uses data from the past five years (a five-year rolling average), submitted by licensees and the Ministry, to RESULTS (Reporting Silviculture Updates and Landstatus Tracking System).

[1] Data is submitted, according to legislated requirements, before June 1 each year for the previous year ending March 31. The detailed information used to calculate the ratio (Table 1: Changes in the Not Satisfactorily Restocked Crown Land) will be posted at: http://www.for.gov.bc.ca/mof/annualreports.htm .

[2] The data methodology for this measure was updated for the 2007/08 Service Plan and is used here to report on 2006/07 accomplishments. The retrospective data has also been updated using the new methodology.[1]

Discussion of Results

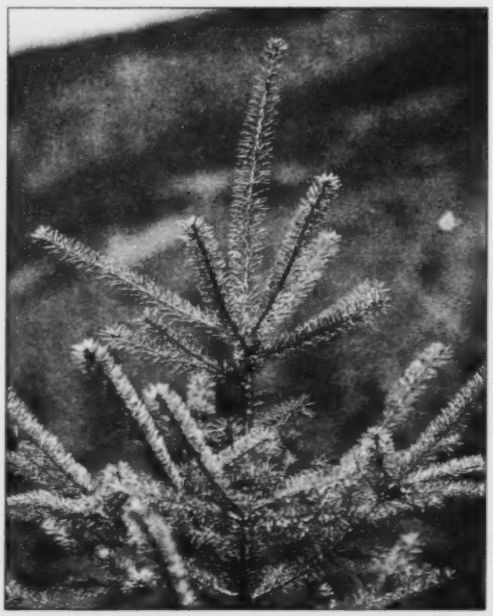
The ratio of area reforested to area harvested or lost to fire and pest is a high-level indicator of stewardship and restoration of forest resources and ultimately, of sustainable forest productivity. A ratio of 1.0 indicates areas being reforested are in balance with those being harvested or lost to fire and pests. A ratio of less than 1.0 reflects a trend towards increased Not Sufficiently Restocked area with more productive area being harvested or lost to fire and pest than reforested.

The ratio combines all Crown land areas to be reforested. This includes:

- areas under licensee basic silviculture obligations, which track close to 1.0 as a steady state, indicating industry is meeting their basic silviculture obligations; and
- areas where there is no basic silviculture obligation including those resulting from unsalvageable fire and pest losses, and areas of backlog reforestation. These areas are addressed as funding is available through the Forest Investment Account and the Forests for Tomorrow program.

[1] This indicator now uses net area harvested instead of gross area harvested. Net area does not include roads and landings permanently removed from the productive landbase (as allowed under the *Forest and Range Practices Act*) or uncut reserves established for wildlife or visual objectives (as required under the *Forest and Range Practices Act*). The change was made to more accurately reflect the area being actively managed and to be consistent with the silviculture indicator used in the Ministry's State of the Forests Report. The trend shown in the old and new indicators is consistent although the new ratio is higher.

- The measure is calculated using the following definitions and data:
  - area reforested includes planting or natural regeneration;
  - area harvested is the net area harvested, excluding roads, landings, and reserves; and
  - area lost to fire and pests is unsalvageable and offers a viable reforestation opportunity. An area is not tallied as lost to fire and pest until it has been surveyed and deemed to present a viable reforestation opportunity.



The expected downward trend in the reforestation indicator attributed to the increase in areas lost to wildfire and to the mountain pine beetle epidemic is evident in the actual results.

The Ministry initiated the Forests for Tomorrow Program in 2005/06 to address areas not reforested under legislated requirements associated with salvage harvesting. In 2006/07 through the Forests for Tomorrow Program, 2 500 hectares of area affected by the mountain pine beetle and fire were planted, 36 000 hectares were assessed for future treatment, and 12 600 hectares were readied for planting in 2007/08.

The downward trend in the indicator is expected to be stopped by 2007/08, and the impact on the indicator should be observable by 2009/10.

Objective 1.5: Forest practices are continuously improved and publicly reported

Public reporting on forest practices, program evaluations and the state of the forests can open dialogue with *Forest and Range Practices Act* inter-agency implementation teams, professionals, the public and other stakeholder groups. This dialogue is a component to continuous improvement and innovation in forest management.

Strategies

a) Field monitoring and effectiveness evaluation results are being informally communicated to stakeholders at the local level.

b) Information on the state of the forests is provided through the monitoring of indicators in the periodically published online State of the Forests Report.

c) Dialogue with forest stewardship implementation teams, professionals, public, and other stakeholder groups continues to be improved.

d) Innovation in forest management continues to be supported.

e) Currency and accuracy of key forest stewardship information continues to be improved, including the update and adjustment of inventories to support the timber supply review and allowable annual cut determinations.

Objective 1.6: Crown Range is healthy, sustainably managed, and allows for optimal use of Crown forage through effective tenuring

This objective focuses on protecting Crown range and optimizing the use of Crown range resources through administration of rights through the *Range Act*, agreements under the *Forest and Range Practices Act*, and the *Land Act*.

Increasing stakeholder and public pressures on range resources for multiple uses is a risk to achieving this objective. Working with other agencies on land-use planning, evaluating current legislation and policy to assess effectiveness in protecting range resource values, education, extension, monitoring, and compliance and enforcement activities will help manage this risk.

Strategies

a) A range monitoring program was developed to evaluate rangeland health and effectiveness of range management practices.

b) Restoration of rangeland ecosystems degraded by forest ingrowth, forest encroachment and invasive plants focused on implementation of a pilot ecosystem restoration project in the Rocky Mountain and Central Cariboo Forest Districts in 2006/07.

c) Education and extension was achieved in collaboration with staff from the B.C. Ministry of Agriculture, BC Cattlemen's Association, Thompson Rivers University, Prairie Farm Rehabilitation Administration, and Ducks Unlimited through development and delivery of six range education/extension sessions to Ministry staff and ranchers across the province.

d) Allocation, administration and management of range use, including grazing leases previously held by Land and Water BC Inc., is ongoing.

e) In collaboration with the BC Cattlemen's Association, the Ministry continues to build fences to replace natural range barriers and fences that have been damaged by salvage harvesting in mountain pine beetle infested areas.

Performance Indicator	2004/05 Actual	2005/06 Actual	2006/07 Target	2006/07 Actual
Per cent of available Crown range under a form of agreement	91%	93%	95%	94% ACHIEVED

Data Source: Current records of forest districts.

Discussion of Results

This is an indicator of the effectiveness of the Ministry's allocation and administration of range available for grazing or hay cutting and is based upon possible and actual range agreement areas. In 2006/07 the range program allocated 94 per cent of available crown range. The target for 2006/07 was 95 per cent; however, due to longer-than-anticipated consultation with First Nations and processes to award vacant tenures, it was not possible to complete the allocation within the 2006/07 fiscal year.

Objective 1.7: Compliance is promoted and statutory obligations are enforced

The implementation of a compliance and enforcement regime for the *Forest and Range Practices Act* and a compliance and enforcement regime for pricing and revenue will protect the Province's forest and range resources and ensure British Columbians receive fair value from the use of those resources, by upholding the law.

Risks to achieving this objective are mitigated by having professional accountability for forest practices, a risk-based inspection regime, well-trained staff, effective legal counsel, and by working in partnership with other law enforcement agencies.

Strategies

a) Compliance and enforcement staff training and support was achieved by meeting training priorities for 2006/07 and initiating new training materials to address the changing business needs under the *Forest and Range Practices Act*.

b) Application of Quality Assurance principles and procedures to verify government's (and in particular BC Timber Sales) compliance with its own statutory obligations, and to verify Ministry compliance with its compliance and enforcement policies and procedures and the law.

c) Increased focus on pricing inspections and investigations resulted in inspection of 84 per cent of the high and very high priority sites for pricing compliance in 2006/07.

Performance Indicator	2001/02 Baseline	2004/05 Actual	2005/06 Actual	2006/07 Target	2006/07 Actual
Per cent of forest and range operators' compliance with statutory requirements that regulate forest practices	90%	91%	94%	94%	96% EXCEEDED

Data Source: The Ministry's Compliance Information Management System.

Discussion of Results

This measure was selected as an indicator of the management decisions of forest and range operators which are key to the outcome of sustainable forest resources. Forest and range operators are all industry (major and small business) licensees. Compliance is with the *Forest Practices Code of B.C. Act*, *Forest Act* and the *Forest and Range Practices Act* and their associated regulations.

This indicator measures the number of inspections completed without any non-compliances that lead to a determined or prosecuted enforcement action versus the number of inspections completed. The per cent of high and very high priority sites inspected for forest and range practices compliance in 2006/07 was 87 per cent, slightly higher than in previous years. The sites inspected are assessed for environmental, social and or economic values. In 2006/07, efficiencies in inspections were gained by redefining available sites and through continued staff training. In addition, attention to quality assurance improved completeness of sites recorded in the Compliance Information Management System.

Actual results for this measure exceeded the target in 2006/07.

Although Ontario tracks "the rate of compliance with resource laws" (reported as 93.4 per cent in 2004/05 and targeted at 92 per cent for 2006/07),[2] the substantively different resource laws, policies and land ownership between Ontario and B.C. make it difficult to compare performance directly.

Objective 1.8: Sustainable forest management is fostered through incremental improvements to the public forest asset base

The high-level objective of the Forest Investment Account is to assist government in developing a globally recognized, sustainably managed forest industry.

Fostering sustainable forest management is pursued through all Forest Investment Account programs. Investment dollars are directed to incremental activities on public land in such areas as research and enhanced forestry.

[2] http://www.mnr.gov.on.ca/MNR/csb/rbp/ch02s03.html#d0e791

Risks associated with achieving Forest Investment Account objectives and demonstrating value-for-money are effectively mitigated through third-party administration and audit agreements, program boards and councils, technical standards and oversight provided by the Forest Investment Council.

Strategies

a) Acquire better information about forest resources; foster comprehensive strategic land-use planning; facilitate science-based utilization of the resource.

b) Reforest areas denuded naturally or by harvesting before 1987.

c) Reclaim and enhance site productivity.

d) Restore damaged ecosystems.

e) Sound governance and effective and efficient delivery of forest investments through third-party administrators.

Achievement of Forest Investment Account objectives and strategies is accomplished through program activities carried out by proponents under the coordination of third-party administrators. Results are reported in annual reports generated by the third-party administrators. These can be found at:

- **Land Based Investment Program**
  http://www.fialicensees.com
- **Small Tenures Program**
  http://www.for.gov.bc.ca/hcp/fia/reports.htm
- **Forest Science Program**
  http://www.cortex.ca/fia-fsp/dow-pub.html
- **Tree Improvement Program**
  http://www.for.gov.bc.ca/hti/publications/misc/projectreports.htm

Goal 2: Sustainable Forest and Range Benefits

Forest and range resources are managed for social and economic benefits for all British Columbians. These benefits include a healthy economy resulting from competitive forest and ranching industries, which in turn generate fair public revenue from the use of Crown forests. Sustainability of these benefits also relies on a sustainable, safe and innovative workforce. Balancing the benefits for the public, First Nations, communities, industry, forest workers and other stakeholders is a complex function of government.

While some components of this goal are within the control of the Ministry, other aspects are subject to external influences such as international markets, trade agreements, the level of investment by forest companies, treaty negotiations with First Nations, and forest fire and pest epidemic impacts on the economies of forest-based communities.

Objective 2.1: Use of the allowable annual cut is optimized through effective tenuring

Forest tenures are used to allocate, manage and monitor forest resource opportunities to meet social, economic and other public forest policy objectives. Allowable annual cut in area-based Tree Farm Licences, Woodlot Licences and Community Forest Agreements is available directly to these license holders. For allowable annual cut apportioned in Timber Supply Areas, a fair and effective tenure system is needed to ensure that volume is made available to clients.

Achieving this objective may be affected by delays in concluding First Nations consultation processes. The Ministry addresses this risk throughout the First Nations Forest Strategy, which has an objective to increase First Nations participation in the forest sector, and includes negotiation of Forest and Range Opportunities which document an agreed-upon process for consultation and accommodation on forest management decisions.

Strategies

a) Continued implementation of forest policy reform under the *Forestry Revitalization Act*; including providing new opportunities for First Nations, small tenure holders and communities, through Community Forest Agreements, woodlot licences and other small tenures.

b) Issuing and administering an increased number of licences to salvage mountain pine beetle affected timber was achieved in the Interior Plateau and Southern Montane regions of B.C. through large scale salvage projects, and in the NW, NE and SE portions of B.C. by concentrating the harvest in recently attacked green timber on the leading edge of the mountain pine beetle spread.

Salvage of mountain pine beetle affected timber in 2006/07 included:

- *Direct award of 4,000 new Small Scale Salvage (< 1 hectare opening size) Forestry Licence to Cuts;*
- *Seven new Salvage Non-Replaceable Forest Licences;*
- *25 pilot competitive Intermediate Salvage (0-5000 cubic metres) Forestry Licence to Cuts;*
- *Non-Replaceable Forest Licences for 2.0 million cubic metres; and*
- *18 new First Nations direct award tenures, e.g., Non-Replaceable Forest Licences.*

c) Approximately 35 million cubic metres of timber harvested under existing replaceable Tree Farm Licence and Forest Licence allowable annual cuts was concentrated in mountain pine beetle attacked stands in 2006/07.

Objective 2.2: Fair market value for the use of the public forest and range resources

The Ministry has a legislative responsibility to assert the financial interests of the Government in its forest and range resources in a systematic and equitable manner. The Ministry continually reviews and modifies revenue policies and procedures to ensure that fair value is received.

Strategies

a) Administer the Coast market-based pricing system, which was implemented on February 29, 2004.

b) Administer the Interior market-based pricing system, which was implemented on July 1, 2006.

c) Changes to Interior log grades were implemented on April 1, 2006 and subsequent reviews have confirmed consistent implementation. Ongoing assessment of grade implementation continues.

Performance Indicator	2004/05 Actual	2005/06 Actual	2006/07 Target [1]	2006/07 Actual
Crown forest gross revenue ($ billions)	1.322	1.154	1.073	1.197 EXCEEDED

Data Source: The Ministry's Harvest Billing System.

[1] The 2006/07 target was based on the forecast in the February 2006 budget.

Discussion of Results

Crown forest and range gross revenue represents the value that the public receives from use of its forest and range resources. The total amount of revenue realized by the Ministry and collected by the Government of British Columbia during each fiscal year includes stumpage and other revenues from timber tenures, B.C. Timber Sales, range use and other Ministry non-forestry revenues.

The Softwood Lumber Agreement came into effect on October 12, 2006 and gross revenue from this date forward includes revenue from the Softwood Lumber Export Tax.

During 2006/07, the U.S. housing market continued to soften, resulting in lower prices for lumber and other forest products. With a continuing strong Canadian dollar and the impacts of the bark beetle infestation in the Interior, it is expected that stumpage revenue will decline over the next few years.

Table 4: 2006/07 Revenue (Unaudited) by Category and Forest Region

	Coast	North Interior	South Interior	Victoria	Totals
Revenue Categories (thousands of dollars)					
Timber Tenure Stumpage	91,230	311,064	324,914	330	727,538
Harvesting Rents and Fees	6,112	9,436	9,345	(7,506)	17,387
Allowance for Doubtful Accounts	0	0	0	(2,800)	(2,800)
B.C. Timber Sales	62,260	109,196	106,362	3,338	281,156
Export	2,529	322	72	27	2,950
Range	2	382	1,500	0	1,884
Waste	1,665	298	285	0	2,248
Penalties	1	2,115	8	0	2,124
Interest	512	1,050	361	112	2,035
Miscellaneous	1,173	288	17,652	(17,436)	1,677
Softwood Lumber Agreement Export Border Tax	0	0	0	155,659	155,659
Other Revenue (Non-Forestry)	21	106	2	5,491	5,620
Totals	**165,505**	**434,257**	**460,501**	**137,215**	**1,197,478**

Objective 2.3: Improved access to markets for B.C. forest products

This objective reflects the Ministry's intent to maintain the traditional U.S. and Japanese markets and grow in international markets, such as Taiwan, China and Korea. The ongoing effort needed to address the softwood lumber dispute with the U.S. is being managed by the Ministry and through partnerships with other ministries, the federal government and Forestry Innovation Investment Ltd.

Strategies

a) The pursuit of free access for B.C. forest products to markets in the United States focused on the Softwood Lumber Agreement which came into force on October 12, 2006.

b) Forestry Innovation Investment Ltd. led work to expand markets in the Asia Pacific region. A full report on the success of this is described in the separate Service Plans and Annual Service Plan Reports published for Forestry Innovation Investment Ltd.

c) A shared vision for growth in value-added products, including encouraging a greater synergy between primary and secondary sectors, maintaining an investment climate conducive to growth and by investing in research, development and marketing that will support this growth was worked on cooperatively with other agencies and the forest industry.

Key benefits of the Softwood Lumber Agreement

More than US $2 billion in duties collected by the U.S. since May 2002 were refunded to B.C. companies.

End of U.S. countervailing and anti-dumping litigation and World Trade Organization and North America Free Trade Association appeals provides increased certainty and saves legal costs.

Export tax revenue collected by Canada will be remitted to the provinces, increasing government revenue.

Coast exporters and exporters of high valued remanufactured products (over US $500 per thousand board feet) will benefit from a provision of the agreement that reduces the export tax.

Objective 2.4: Long term economic stability is encouraged for communities affected by the mountain pine beetle epidemic

This objective is to encourage economic sustainability for communities affected by the mountain pine beetle epidemic by supporting the development and implementation of socio-economic adjustment plans for forest-dependent communities and First Nations within the affected areas.

Strategies

a) Support development of regional socio-economic adjustment planning includes exploration of possibilities for economic diversification, economic pre-feasibility analysis on opportunities, investment recruitment, business retention, community marketing and general economic research.

This objective and strategy are achieved through the coordinated efforts of the Province, regional Beetle Action Coalitions and the First Nations Forestry Council as represented by the performance results described below.

Performance Indicator	2006/07 Target	2006/07 Actual
Per cent of mountain pine beetle impacted communities covered by a mountain pine beetle socio-economic adjustment plan	3 years of targets were to be set by the end of 2006/07	Targets were established and published in the 2007/08 Ministry of Forests and Range Service Plan ACHIEVED

Data Source: Impacted community data tracked internal to the Ministry of Forests and Range is based on local governments and beetle infested areas.

Discussion of Results

In 2005/06 both the Cariboo-Chilcotin Beetle Action Coalition and the Omineca Beetle Action Coalition were established and initially funded according to their submitted business plans. As a result of temporal and geographic spread of the mountain pine beetle, it was determined that a Southern Interior Beetle Action Coalition would likely be required, and the creation of the coalition is anticipated for 2007/08.

During 2006/07 the Omineca and Cariboo-Chilcotin coalitions submitted revised business plans in order to obtain additional funding for the preparation of related studies and regional mitigation strategies, the formation of the Southern Interior Beetle Action Coalition began to take shape, and the First Nations Mountain Pine Beetle Initiative was established with financial assistance provided.

Socio-economic adjustment plans are expected to be completed by 2009/10 to guide mitigation strategies for all impacted communities. The number of impacted local governments (estimated at 34) and First Nations communities (estimated at 70) anticipated to be covered under these plans will change as the epidemic unfolds and therefore the projections will continue to evolve.

Objective 2.5: A reliable and environmentally sound forest road network which balances industrial, commercial and public use in a cost effective manner reflecting the level of use and available funding

The intent of this objective is to provide the necessary infrastructure to access timber, range, communities, recreation, and other resource values while minimizing environmental impacts. Routine activities that contribute to achieving this objective include carrying out maintenance on Forest Service roads in conformance with legislation and policies, replacing priority non-industrial Forest Service road bridges, and deactivating Forest Service roads no longer required.

Achieving this objective is largely influenced by the level of funding available to provide maintenance activities on non-industrial Forest Service roads and undertake emergency and routine repairs. The Ministry received incremental funding in 2005/06 to address bridge replacement and this mitigated aspects of risk to achieving this objective in the immediate term. However, continued deterioration of Forest Service road non-industrial bridges over the long term will continue to impact the Ministry's performance in this area.

These high-cost activities are offset by the benefits of maintaining industrial, recreational and community access important to the forest economy and British Columbians. In addition, when not addressed in the short term, the costs of mitigating environmental damage and re-establishing access are higher over time.

Strategies

a) Discussions between resource users and agencies are ongoing with respect to the development of policy and legislation to consolidate road construction, road use, maintenance and deactivation standards between all resource users and agencies.

b) The Ministry supported and participated in BC Forest Safety Council's "On the Road Safety and Action Plan to encourage safe drivers, safe trucks, safe resource roads and safe highways in the Forest Sector."

c) Rationalization of the provincial road network (Forest Service Roads and public roads / highways) between the Ministry of Forests and Range and the Ministry of Transportation is ongoing.

d) Road maintenance carried-out by the Ministry focuses on the non-industrial Forest Service road network providing access for communities, public recreation sites, trails and important recreation areas, and to protect the environment.

e) To improve access infrastructure due to increased beetle-wood logging and hauling, safety-related upgrades were implemented on 160 kilometres of Forest Service road.

Performance Indicator	2004/05 Actual	2005/06 Actual	2006/07 Target	2006/07 Actual
Per cent of Recreational, Community and General Use Forest Service Road kilometres maintained by the Ministry which are available for vehicle use[1]	N/A (measure introduced in 2005/06)	100%	>94%	92% Substantively Achieved

Data Source: Information reported by each district.

[1] Roads assigned to BC Timber Sales are excluded.

Discussion of Results

This is a measure of reliability of the non-industrial Forest Service Road network which serves communities and recreation sites, trails and areas, as well as rural residences and commercial operations. This network represents approximately 10,132 kilometres (community use 1,170 kilometres, recreation use 2,339 and general use 6,623 kilometres). Kilometres that are open for vehicular access, are those that are not closed for safety or environmental reasons (includes non-industrial bridge removal or closure).

The surface conditions on these roads may vary because the maintenance activities depend on the type of use. General use Forest Service roads have only a wilderness level of maintenance which provides for maintenance due to environmental or safety-related issues but does not guarantee motor vehicle access. Community-use and recreation-use Forest Service roads also have a wilderness level of maintenance, but they also have access-related surface and structural maintenance.

Industrial-use Forest Service roads are maintained by industrial users under road-use permits, and other industrial-use forest roads are maintained under road permits and special use permits.

Objective 2.6: Increased First Nation opportunities for participation in the forest sector; stability on the land base; and forestry operations that respect First Nation interests on the land base

This objective supports the Ministry's intent to provide leadership, negotiation skills, advice and guidance and overall coordination with respect to forest and range activities in the New Relationship with First Nations. Achieving this objective will support Government's objective to ensure Aboriginal communities share in the economic and social development of B.C. The Ministry of Forests and Range seeks to work on the following strategies in an open, transparent and collaborative approach with First Nations.

Strategies

a) Consult with First Nations in accordance with the Crown's legal obligations while developing relationships.

b) The Province reached agreement with 127 First Nations from 2002 to March 2007, providing $166.5 million in revenue, and access to 24.4 million cubic metres of timber. This includes Forest and Range Agreements, Forest and Range

Opportunity Agreements and 47 direct award tenures to First Nations, including 21 to harvest mountain pine beetle timber.

c) In support of treaty-related initiatives led by the Ministry of Aboriginal Relations and Reconciliation, the Ministry of Forests and Range was involved in reaching final agreements with the Maa-nulth First Nation and Tsawwassen First Nations.

Performance Indicator	2004/05 Actual	2005/06 Actual	2006/07 Target	2006/07 Actual
Total number (cumulative) of Forest and Range Agreements and Interim Agreements on Forest and Range Opportunities, signed with First Nations [1]	47%	76%	90%	110% EXCEEDED

Data Source: Tracked internally.

[1] Some agreement offers include more than one First Nation in the offer. Offers to negotiate agreements had been made to all 176 eligible First Nations by the end of 2006/07. Although offers are made to all eligible First Nations, it is anticipated that not all offers will be accepted or result in signed agreements.

Discussion of Results

These agreements provide a period of stability for forest and range resource development. They include the provision of economic benefits in the form of tenure and revenue sharing, and many agreements included consultative arrangements that define an agreed upon process between the Ministry and a First Nation for consulting on and addressing aboriginal interests.

In-SHUCK-ch Nation Forest and Range Agreement

On February 1st, 2007, In-SHUCK-ch Nation celebrated a formal send off of their first load of logs shipped from the lower Lillooet River valley under their Forest and Range Agreement. Timber from In-SHUCK-ch Nations Forest and Range Agreement has resulted in a partnership with Lizzier Bay Logging and co-ownership in the purchase of a forest licence from Interfor in the Squamish forest district.

As a result of the New Relationship, a new agreement, the Interim Agreement on Forest and Range Opportunities was developed and is now used on an ongoing basis. The Interim Agreement on Forest and Range Opportunities commits the Ministry to engage First Nations to develop a consultation protocol outside the agreement to clarify consultation responsibilities of the various parties.

In 2006/07 the number of agreements signed exceeded the target. This achievement is attributed to the new Interim Agreement on Forest and Range Opportunities, under the New Relationship, which is seen by First Nations as a more desirable agreement than the Forest and Range Agreement.

Agreements signed in previous years will begin to expire in 2007/08 and will require replacement. The Ministry will be internally tracking the replacement agreements as well as other accommodation agreements.

Objective 2.7: Using sound forest management, net revenue to the Province is optimized and a credible reference point for costs and pricing of timber harvested from public land in B.C. is provided

Objective 2.8: Opportunities are provided for BC Timber Sales customers to purchase timber in an open and competitive market

These objectives support: market-based pricing to ensure that the public receives fair market value for the use of its forest resources; the generation of revenue to the Province and the Ministry as a major contributor to B.C.'s current and future economic health; and a strong forest economy and competitive forest sector.

In May 2006, the Minister of Forests and Range directed a review be undertaken to determine if the current organizational structure of BC Timber Sales most effectively addressed its mandate, and to recommend any needed changes to the BC Timber Sales structure, or delivery model. The completed review confirmed the mandate of BC Timber Sales and provided clear direction on what is required for the organization to become more effective and efficient.

The report recommended that BC Timber Sales:

- remain within the Ministry, subject to implementation of several recommendations;
- take the steps required to attain the degree of separation necessary within the Ministry structure to ensure its unique business needs are met;
- immediately review its strategic goals to ensure clarity of intent and hierarchy;
- clarify the linkage between BC Timber Sales data and the Market Pricing System;
- develop an action plan to continue building performance; and
- develop specific performance measures to evaluate the success of these changes.

The recommendations acknowledged the clear expectation of the forest industry that the organization not be diverted from its intent as established in the Forestry Revitalization Plan. The review also recognized the significant benefits from the strong relationship between BC Timber Sales and the rest of the Ministry, and that this is critical to the Ministry's collective success.

More information on the Structural Review is available on the Ministry's BC Timber Sales website at: http://www.for.gov.bc.ca/bcts/.

Strategies

a) After release of the Structural Review Report in 2006/07, BC Timber Sales immediately began addressing the report recommendations and has:

- re-ordered and re-stated its goals for the 2007/08 – 2009/10 BC Timber Sales Service Plan, to clarify the hierarchy and order of priority among the goals and present adjusted key performance measures to reflect these goals and the clear expectations of BC Timber Sales' stakeholders.
- performed an internal examination of the critical data flows to address the needs of the Market Pricing System, and has formed an internal working group to improve data integrity in the Market Pricing System.

Further actions to address the report recommendations will continue in 2007/08.

b) To show its commitment to improve safety for forest workers, in spring 2007 BC Timber Sales registered with the BC Forest Safety Council, marking its intention to achieve SAFE Companies certification[5] in 2007/08 and announced that under its new safety program:

- all BC Timber Sales fieldwork contracts advertised after April 1, 2007 will require operators to be registered with the BC Forest Safety Council; and
- all timber sales licences advertised by BC Timber Sales after April 1, 2007 will require all persons or companies working on a timber sales licence to be registered in the SAFE Companies program.

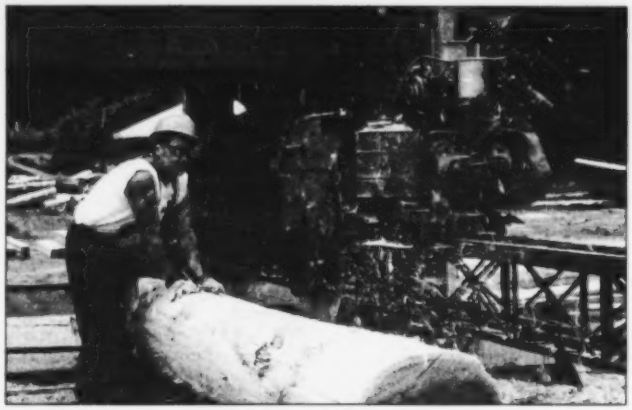
Performance Indicator	2004/05 Actual	2005/06 Actual	2006/07 Target	2006/07 Actual
Per cent of total timber volume available,[1] auctioned by BC Timber Sales	14%	18%	16%	18% EXCEEDED

Data Source: Revenue Branch and the Ministry's apportionment system.

[1] The total provincial allowable annual cut.

[5] The SAFE Companies program of the BC Forest Safety Council provides registrants with clear, practical standards so they can establish and maintain successful health and safety programs that fit their needs.

Discussion of Results



The per cent of the total timber volume available that was auctioned by BC Timber Sales during the year is a key indicator of the program's success in supporting the market based pricing system and being a credible reference point for costs and pricing, producing revenues and opportunities to purchase timber by auctioning an increasing proportion of the available provincial timber. During 2006/07 B.C. Timber Sales continued its strong performance towards achieving its long-term goal of 20 per cent exceeding its target by two percentage points or 12 per cent of target. This success was due in large part to staff's continued efforts in developing and advertising for auction 15.2 million cubic metres of timber in 2006/07.

Full details of BC Timber Sales' objectives, strategies and performance are available in the 2006/07 BC Timber Sales Annual Service Plan Report available on the Ministry's website at: http://www.for.gov.bc.ca/bcts/.

Goal 3: Highly Effective, Innovative and Responsive Organization

The third goal of the Ministry is to create a high-performing organization that will support the achievement of all of the Ministry's goals and objectives. This goal is achieved through innovative leadership and management, support to the organization through effective corporate governance, promotion of a diverse, innovative and productive workforce and provision of efficient management functions and client services, and innovative practices in all core businesses.

While achievement of this goal is largely in control of the Ministry of Forests and Range leadership, it is influenced by government staffing policies; labour relations and the pool of skilled labour available as well as the workplace challenges related to achieving the Ministry's other two goals.

Objective 3.1: An effective, innovative and responsive management framework and infrastructure that supports the achievement of Ministry goals and objectives

This objective helps to ensure that the Ministry becomes a more effective organization, which is strong, dynamic and adaptable, and focused on achieving its strategic goals.

The achievement of this objective involves excellence in the ongoing implementation and improvement of all standard organizational processes including:

- performance management and business process improvement;
- legislation and policy development and coordination;
- a risk management framework;
- a Human Resource Strategy framework;
- a financial framework and services that ensures fiscal accountability and supports effective allocation of resources within the Ministry;
- information technology which is aligned with business requirements and appropriate levels of governance and service;
- management of information holdings as per the *Freedom of Information and Protection of Privacy Act*;
- legal services; and
- the alignment and delivery of Ministry facility, vehicle and equipment infrastructure necessary to meet program demands on a location by location basis.

The largest risk to the Ministry achieving this objective relates to the Ministry's ability to effectively recruit and retain qualified staff. The Road Ahead initiative is expected to effectively mitigate this risk, becoming the basis of the Ministry's Human Resources Strategy over the next three to five years.

Strategies

a) Services to internal and external clients were improved by completing continuous improvement reviews; restructuring parts of the Corporate Services Division to streamline processes, improve productivity and reduce delays; and by providing customer service training for a large percentage of staff, which is ongoing in 2007/08.

b) The Road Ahead initiative to build a high performing and learning organization continued to be a high priority: a succession planning knowledge transfer program was piloted; leadership and learning was fostered by training 115 employees as Learning Organization Practitioners; mentoring and non-directive coaching was provided to 1,100 employees; and the Ministry implemented a program called Partners in Performance, designed to share best practices and encourage staff to reach higher levels of performance.

Performance Indicator	2002/03 Baseline	2004/05 Actual	2006/07 Projection	2006/07 Actual
Per cent of British Columbians who believe the Forest Service effectively protects and manages our public forests.	73%	69%	>73%	62% NOT ACHIEVED

Data Source: A telephone survey of 1,000 British Columbians selected through a random sampling methodology, conducted by BC Stats, every two years.

Note: Starting in 2007/08, the results from the survey are no longer reported as a performance indicator. Instead, they will continue to be incorporated into the Strategic Context and inform the Ministry's Citizen Centred Service Delivery.

Discussion of Results

This effectiveness indicator was selected to measure the ultimate outcome of an effective public service organization responsible for protecting and managing public forests. It indicates how effective the public believes the Ministry is at protecting and managing the forest resource based on five variables (forest fire protection, control of pests and disease, reforestation, environmental protection, and regulating forest companies).

As indicated above, the survey conducted in fall 2006 indicated that 62 per cent of British Columbians believe the Forest Service effectively protects and manages our public forest resources. Although this level of positive response is considered good for a public survey, it is down from the previous two surveys (73 per cent in 2002 and 69 per cent in 2004). Breaking down the results shows that the largest decreases can be attributed to opinion and concerns related to environmental protection (12 per cent), reforestation (10 per cent), and the control of pests and disease (nine per cent).

The Ministry will be using the survey information to inform strategic discussions and define expectations.

Report on Resources

The Ministry of Forests and Range Resource Summary indicates a surplus of approximately $27.9 million in 2006/07. This was a result of a change in the accounting presentation of Federal Mountain Pine Beetle contributions (–$36.500 million) and additional approved over-expenditures for forest service road and bridge maintenance and First Nations New Relationship activities (+$9.2 million). Without these adjustments, the Ministry under spent its operating budget by 0.1 per cent in 2006/07.

In 2006/07 the Ministry received additional funding toward the negotiated wage settlement and benefits, a statutory appropriation of $104.294 million to address increased fire activity during the 2006 season, and an additional $0.339 million required for the payout of the South Moresby Forest Replacement Account.

The federal and provincial funding remaining in the South Moresby Forest Replacement Account ($25.46 million) was transferred in March 2006 to the newly created Gwaii Forest Charitable Trust, which will use the investment income from South Moresby Forest Replacement Account to further encourage sustainable forests and community stability on the Haida Gwaii / Queen Charlotte Islands.

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Resource Summary Table

	Estimated[1]	Other Authorizations[2]	Total Estimated	Actual	Variance
Operating Expenses ($000)					
Protection Against Fire and Pests	118,654	104,294	222,948	218,553	(4,395)
Forest Stewardship	96,707	339	97,046	83,981	(13,065)
Range Stewardship and Grazing	6,506		6,506	6,025	(481)
Compliance and Enforcement	25,876		25,876	25,289	(587)
Forest Investment	121,055	45	121,100	116,239	(4,861)
Pricing and Selling Timber	136,868		136,868	118,763	(18,105)
Executive and Support Services	49,048	5,383	54,431	68,037	13,606
BC Timber Sales	169,100	58,994	228,094	228,094	0
Transfer from BC Timber Sales Account to General Account		(75,342)	(75,342)	(75,342)	0
Total	**723,814**	**93,713**	**817,527**	**789,639**	**(27,888)**
Full-time Equivalents (FTEs)					
Protection Against Fire and Pest	718		718	905	187
Forest Stewardship	414		414	414	0
Range Stewardship and Grazing	49		49	53	4
Compliance and Enforcement	292		292	292	0
Forest Investment	62		62	62	0
Pricing and Selling Timber	831		831	831	0
Executive and Support Services	583		583	600	17
BC Timber Sales	610		610	599	(11)
Total	**3,559**	**0,000**	**3,559**	**3,756**	**197**
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)					
Protection Against Fire and Pests	2,478		2,478	3,525	1,047
Forest Stewardship	3,782		3,782	3,782	0
Range Stewardship and Grazing	6		6	6	0
Compliance and Enforcement	1,548		1,548	1,548	0
Forest Investment	0		0	0	0
Pricing and Selling Timber	4,476		4,476	4,476	0
Executive and Support Services	6,561		6,561	5,002	(1,559)
BC Timber Sales	801		801	562	(239)
Total	**19,652**	**0,000**	**19,652**	**18,901**	**(751)**

	Estimated[1]	Other Authorizations[2]	Total Estimated	Actual	Variance
Other Financing Transactions ($000)					
BC Timber Sales — Disbursements	63,400	0,000	63,400	75,342	11,942
Total Disbursements	**63,400**	**0,000**	**63,400**	**75,342**	**11,942**

[1] These amounts have been restated for comparative purposes only, to be consistent with the presentation of the 2007/08 *Estimates*. Schedule A of the *Estimates*, presents the detailed reconciliation.

[2] "Other Authorizations" include Supplementary *Estimates*, Statutory Appropriations and Contingencies.

Ministry of Forests and Range Core Business Areas

The Ministry has eight core business areas, two of which are defined by unique funding sources, the BC Timber Sales Special Account and the Forest Investment Account.

Protection Against Fire and Pests — Focuses on protecting lives, forest resources and investments in the land-base from wildfire; and forest health activities in parks and protected areas, Crown land, urban areas, and other special sites; control of invasive alien plants; and pest management.

Forest Stewardship — Forest stewardship and management at provincial, regional and district levels including forest practices; timber supply planning and determination; applied research and forest gene resource management; reforestation on land under crown responsibility; and resources inventory.

Compliance and Enforcement — Activities related to upholding British Columbia laws to protect the province's forest and range resources under the jurisdiction of the Ministry of Forests and Range. Primary activities include inspections for compliance; enforcing environmental standards for forest and range management for government and forest and range tenure holders; enforcing revenue policies; combating forest crimes; and enforcing other regulations and rules.

Forest Investment — Provides funding to support sustainable forest management practices, improve the public forest asset based, and promote greater returns from the utilization of public timber. Forest investments are delivered through programs administered by government or through third-party administrators. Forest Investment Account programs provide funding to a variety of recipients including tenure holders, forest sector associations, researchers, manufactures and government agencies.

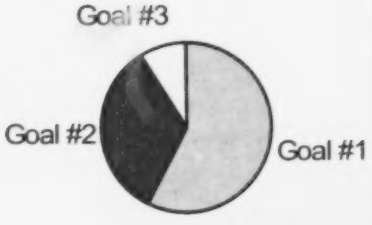
Range Stewardship and Grazing — Ensuring sound environmental stewardship of the range resource, through the regulation of range practices and forage supply management including allocating, administering and managing range use and grazing leases; evaluating rangeland health and effectiveness of range practices; restoring degraded rangeland ecosystems; and promoting and fostering rangeland use and management.

Pricing and Selling Timber — Activities related to timber tenure administration, timber pricing, access to markets, community diversification and stability for forest dependent communities; research and development of wood products; meeting obligations with First Nations; First Nations' participation in the forest economy; and building and maintaining forest service road and bridge infrastructure to provide access to timber.

BC Timber Sales — Focuses on providing British Columbians with benefits from the commercial use of public forests. Primary functions include developing Crown timber for auction, creating and maintaining a BC Timber Sales road and bridge infrastructure and achievement of reforestation obligations.

Executive and Support Services — Executive direction; corporate governance; strategic policy; performance management; legislation development; finance; human resources; Freedom of Information; continuous improvement; best practices initiatives; information technology strategy; and central infrastructure.

2006/07 Expense Breakdown by Goal



Ministry Goal	Core Business[1]	Funding Source (Vote or Special Account)
1. Sustainable Forest and Range Resources	Protection Against Fire and Pests	• Direct Fire Vote • Ministry Operations Vote
	Forest Stewardship	• Ministry Operations Vote • Forest Stand Management Fund (special account) • South Moresby Forest Replacement Account (special account)
	Range Stewardship and Grazing	• Ministry Operations Vote
	Compliance and Enforcement	
	Forest Investment	
2. Sustainable Forest and Range Benefits	Pricing and Selling Timber	• Ministry Operations Vote
	BC Timber Sales	• BC Timber Sales (special account)
3. Highly Effective Innovative and Responsive Organization	Executive and Support Services	• Ministry Operations Vote

Forest Practices Board

The Forest Practices Board is an independent watchdog for sound forest practices in B.C.'s public forests. It informs both the British Columbia public and the international marketplace of forest and range licensees' performance in carrying out sound practices and complying with legal requirements. It also ensures that resource ministries are appropriately monitoring and enforcing forest practices legislation.

The Board audits tenure holders and government ministries for compliance with forest practices legislation; carries out special investigations and issues reports as appropriate; investigates concerns and complaints from the public; and participates in appeals to the Forest Appeals Commission. The Board's mandate is provided by the *Forest and Range Practices Act*.

While the Board operates independently from the Ministry of Forests and Range, its budget vote is the responsibility of the Ministry. Therefore, the Board's financial information will be referenced in the Ministry's future Service Plans and Service Plan Reports. The Board will continue to independently report its accomplishments and priorities through an annual report.[4]

Forest Practices Board Resource Summary Table

	Estimated	Other Authorizations	Total Estimated	Actual	Variance
Operating Expenses ($000)					
Total	3,682	0	3,682	3,680	(2)
Full-time Equivalents (FTEs)					
Total	27	0	27	21	(6)
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)					
Total	125	0	125	125	0

Actual consumption of full-time equivalent positions was less than estimated because of vacancies and staff leave of absences.

[4] Annual reports and other information on the Board can be found at http://www.fpb.gov.bc.ca/annual.htm.

Ministry Contact Information

For more information on the British Columbia Ministry of Forests and Range, contact:

Headquarters
Strategic Policy and Planning Branch
PO Box 9515 Stn Prov Govt
Victoria BC V8W 9C2
Telephone: 250 356-7900

Fire Protection Headquarters
Telephone: 250 387-5969

BC Timber Sales Headquarters
Telephone: 250 387-4683

Coast Forest Region
2100 Labieux Road
Nanaimo BC V9T 6E9
Telephone: 250 751-7001

Northern Interior Forest Region
5th Floor, 1011 Fourth Avenue
Prince George BC V2L 3H9
Telephone: 250 565-6100

Southern Interior Forest Region
515 Columbia Street
Kamloops BC V2C 2T7
Telephone: 250 828-4131

Or visit our website at: http://www.gov.bc.ca/for

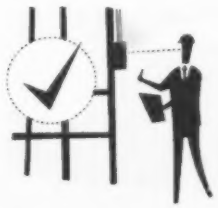
Section B
Office of Housing and Construction Standards

Highlights of the Year

Housing challenges in British Columbia are varied and complex. To meet today's challenges, the provincial government announced a comprehensive housing strategy, *Housing Matters BC*, in October 2006. The strategy covers the full continuum of housing, from homelessness to home ownership, with a primary focus on seniors with special support needs, persons with physical or mental disabilities, and individuals who are homeless or at risk of becoming homeless, including women with children who have experienced domestic violence. Key accomplishments under the strategy include:

- Twenty Homeless Outreach Teams were created in 18 communities throughout the province. The teams help homeless individuals access services such as social assistance and housing.
- The Provincial Homelessness Initiative committed to construct 758 additional units of new supportive housing.
- In March 2007, the Province purchased 15 buildings in Vancouver, Victoria and Burnaby in order to protect and upgrade affordable housing stock for people at risk of homelessness. The acquisition included 10 Single Room Occupancy hotels in Vancouver and one in Victoria. The buildings will be converted into supportive housing, which integrates support services with housing so people can move beyond temporary shelter to more secure housing, gain greater self-reliance, and achieve appropriate employment. In total, 709 supportive housing units will result from these purchases.

- The Province accepted a transfer of 2,600 units of Aboriginal non-reserve housing from the federal government, and issued a call for proposals to utilize $50.9 million in federal trust funds.
- Under Independent Living BC, the Province committed to create 550 new assisted living units. Independent Living BC provides an affordable middle option between home support and residential care, which offers private apartments with access to personal care and hospitality services.
- Residency requirements for the Shelter Aid for Elderly Renters (SAFER) program were reduced from 10 years to one.
- The Rental Assistance Program was created to provide direct assistance to low-income working families renting in the private market.

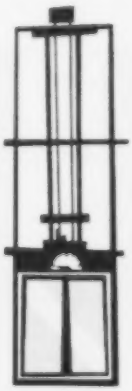


Over 150 individuals — building owners, developers, designers, builders and trades, local governments, and consumers — have been actively involved in discussions to shape the work of the Modernization Strategy, an initiative to respond to the need for change in the system for achieving safety in the design, construction and occupancy of buildings. The Strategy focuses on change in four areas:

- tools for applying the Building Code;
- responsibilities for Building Code compliance;
- consistent processes for compliance; and
- liability and risk management.

Through these discussions, proposals have been developed to clearly define responsibilities and processes for applying and enforcing the Building Code and to provide new tools that support code-related decision making. The Strategy team continues to work with other ministries, industry and local government regulators to explore options to more effectively manage the distribution of liability in the system for achieving building safety.

The Office of Housing and Construction Standards will consult broadly on the team's proposals from April to the end of June 2007. Consultation will include feedback from individuals through the Modernization Strategy website at http://www.housing.gov.bc.ca/modernization and presentations to key groups. The Office of Housing and Construction Standards will develop formal recommendations when the consultation period ends.



The Office continued to strengthen the shift towards enabling landlords and tenants to become more self-sufficient in their legal relationship with each other. Landlords and tenants are now encouraged to resolve

their disputes by accessing improved information provided by the Office about their rights and responsibilities; however, if this is not possible, they may request the help of a dispute resolution officer.

The *Homeowner Protection Act* offers protection for home buyers through licensing of residential builders and a mandatory third-party home warranty insurance system. Throughout 2006/07, consultations and analysis by the Office of Housing and Construction Standards formed the basis for amendments to the *Act*, which were introduced to the Legislature in April 2007. Specific measures that, when implemented, are expected to enhance consumer protection include:

- strengthened licensing provisions that will require residential builders to meet certain qualifications to be licensed;
- developed a requirement and criteria for persons wishing to build their own homes to obtain an authorization from the Registrar under the *Homeowner Protection Act*; and
- strengthened enforcement provisions including compliance orders and monetary penalties for contraventions of the *Act*.

Amendments to the *Safety Standards Act* were passed and brought into force in 2006. These changes provide a mechanism for local governments to address the significant safety risks associated with the marijuana grow operations in residential neighbourhoods.

Purpose of the Office of Housing and Construction Standards

The Office of Housing and Construction Standards is devoted to improving access to safe and stable housing for all British Columbians. We are responsible for provincial housing policy, building policy (including the *BC Building Code* and the *BC Fire Code*), and safety policy (relating to mechanical products and systems and work practices). We also provide information to residential landlords and tenants and assist them in resolving disputes.

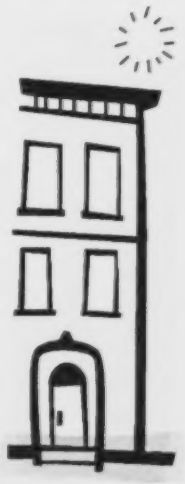
Our mission is to provide leadership in meeting the building needs of British Columbians by:

- promoting a range of housing choices;
- developing regulations and promoting their application;
- providing information regarding rights and responsibilities; and
- providing mechanisms for resolving disputes.

Services are delivered directly by us or through our service delivery partners: the British Columbia Housing Management Commission (BC Housing) and the Homeowner Protection Office.

Strategic Context

Most British Columbians are housed successfully in the private housing market. According to BC Stats, approximately 36 per cent of B.C. households are renters and 64 per cent are homeowners. Even with the rising cost of renting and homeownership, approximately 85 per cent of households in B.C. are adequately housed. For the remaining 15 per cent, access to affordable, safe and adequate housing is a significant challenge.



British Columbia is enjoying a robust economy with historically low unemployment rates and sound economic growth. Along with the many benefits of a strong economy come some challenges, such as rising property values. This creates pressure on all forms of housing. Housing costs in the metropolitan areas of British Columbia are among the highest in the country. Although affordability increased slightly in the last quarter of 2006 for single family dwellings in British Columbia, home ownership remains out of reach for many, particularly first time buyers. For example, two times the B.C. median income of almost $55,000 is required to qualify for a conventional mortgage in Greater Vancouver.

Location	Median Priced Single family dwelling	25% down payment	Income to qualify for a conventional mortgage [1]
Greater Vancouver	$502,000[2]	$125,000	$110,000
Greater Victoria	$445,000[3]	$111,000	$95,000
Kelowna	$370,000[4]	$92,500	$81,000
Prince George	$192,000[5]	$49,000	$50,000

[1] A conventional mortgage refers to a mortgage that does not exceed 75 per cent of the purchase price of a home. This means that a conventional mortgage requires a down payment of at least 25 per cent. In June 2007, the Canada Mortgage and Housing Corporation modified the downpayment amount necessary to qualify for a conventional mortgage. A home buyer now only requires a 20 per cent downpayment for a conventional mortgage.

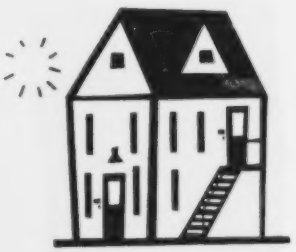
[2] From RBC Economics Research: Housing Affordability March 2007 page 6, rounded to the nearest $1,000. Available at: http://www.rbc.com/economics/market/pdf/house.pdf.

[3] This figure is based on sales from January to December 2006 in Greater Victoria. Information was provided by the Victoria Real Estate Board.

[4] Information was provided by the Okanagan Mainline Real Estate Board.

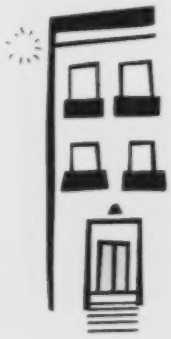
[5] This figure represents a weighted median based on data provided by the BC Northern Real Estate Board and has been rounded to the nearest $1,000.

Two of the major costs in constructing residential dwellings are land and labour. The rising cost of land in major population centres across British Columbia contributes to high housing prices. Robust construction activity has resulted in high demand for skilled labour, at increased cost.



Very few new rental units are being built in the private market, due to low return on investment,[5] and high land and construction costs. Canada Mortgage and Housing Corporation reports that in major urban centres in British Columbia, only 495 purpose-built rental housing units were constructed in 2005. The lack of new rental housing construction to meet the needs of a growing population[6] means that investor purchased condominiums and secondary suites are important sources of rental accommodation. These forms of housing are especially important in areas with low vacancy rates and high rents.

Despite increased spending on transitional and supportive housing, homelessness is a growing concern across British Columbia. Although homelessness is often viewed as an urban problem, it exists in almost every B.C. community. Low vacancy rates and the limited number of affordable rental units contribute to the increase in homelessness, both visible and hidden.[7]



British Columbia's Aboriginal population is growing more quickly than other demographic groups. A full 73 per cent[8] of Aboriginal people live off-reserve. The need for affordable housing amongst Aboriginal people is significantly higher in comparison to other British Columbians.

British Columbia's population continues to age. The number of senior-led households is expected to increase by over 60 per cent from 246,000 in 2001 to 397,000 in 2021,[9] and over 19 per cent of B.C.'s population will be over 65 years of age by 2021, compared to 13.2 per cent in 2001.[10] This population is characterized by fixed incomes and a need for housing support.

[5] A study done for the Greater Vancouver Regional District suggests that the rate of return on a rental building constructed in Langley is 1.69 per cent, while the return for a 24-unit building constructed (in Langley) to sell is 57 per cent. *Greater Vancouver: Affordable Housing Supply Analysis* by McClanaghan and Associates.

[6] In 2006/07, B.C. gained a total of 44,800 immigrants. This includes international immigration as well as immigrants from within Canada.

[7] The hidden homeless consist of individuals and families who live in temporary accommodations in which they do not have control over the length and conditions of tenure, such as those who are "couch surfing."

[8] BC Stats, Statistical Profile of Status (Registered) Aboriginal Peoples, available at http://www.bcstats.gov.bc.ca/data/cen01/abor/status.pdf.

[9] BC Stats, Population Projections, available at http://www.bcstats.gov.bc.ca/data/pop/pop/Project/WebProj0612.pdf.

[10] Ibid.

Report on Performance

Performance Plan Summary Table

Goal 1: Safety is achieved in the built environment For greater detail see pages 57 to 59	**2006/07 Target**	**2006/07 Actual**
1.1 Relevant and responsive codes, standards and regulatory systems in place		
BC Building Code and *BC Fire Code* adopted in an objective-based format	Adopt Codes	Codes Adopted ACHIEVED
1.2 B.C. homeowners are protected		
Home warranty claims within industry norms	< 3%	6% NOT ACHIEVED

Goal 2: Housing and support services are targeted to those most in need For greater detail see pages 59 to 63	**2006/07 Target**	**2006/07 Actual**
2.1 Individuals in need have access to emergency shelter		
Percentage of nights where shelters at full capacity	Establish baseline	Baseline Established ACHIEVED
2.2 Housing and support services targeted to priority groups		
Percentage of assisted clients belonging to priority groups	84%	83% SUBSTANTIVELY ACHIEVED
Number of units/beds created or adapted for priority clients	240 adapted 1,997 created	500 adapted 2,472 created EXCEEDED
2.3 Senior renters receiving assistance in order to maintain independence		
Number of senior households assisted through housing programs	53,100	47,576 SUBSTANTIVELY ACHIEVED

Goal 3: Low and moderate income households have an expanded range of housing options For greater detail see pages 64 to 65	**2006/07 Target**	**2006/07 Actual**
3.1 Local governments have access to information and planning tools to achieve their goals with respect to affordable housing options in their communities		
Percentage of local governments in communities over 100,000 that apply affordable housing planning tools and techniques	75%	100% EXCEEDED

Goal 4: Balanced landlord and tenant rights and responsibilities For greater detail see pages 66 to 68	2006/07 Target	2006/07 Actual
4.1 Consumer protection in place for assisted living and supportive housing landlords and tenants		
Legislation in place to extend protection to landlords and tenants in assisted living and supportive housing arrangements	Introduce Amendments to Legislation	Legislation Introduced ACHIEVED
4.2 Landlord and tenant disputes are avoided or resolved in a timely manner		
Percentage of residential tenancy arbitrations scheduled to take place within six weeks or less	92%	78% NOT ACHIEVED

Goals, Objectives, Strategies and Performance Results

Goal 1: Safety is achieved in the built environment

Many different parties contribute to safety in the built environment, including designers, builders, building owners and various levels of government.[11] The provincial role is to support safety through a regulatory framework that is consistent throughout British Columbia. The province has delegated responsibility for the delivery of technical safety programs under the *Safety Standards Act* and Regulations to the British Columbia Safety Authority. In addition, ten local governments have also been delegated authority within their jurisdictions for electrical and/or gas safety programs.

Because there are many parties, there are also many interests, each with its own emphasis. The Office of Housing and Construction Standards seeks to balance the social, economic and safety interests of the participants in the system to achieve safety.

Objective 1.1: Relevant and responsive codes, standards and regulatory systems in place

The Building and Fire Codes are updated periodically, as building science evolves and new technologies and new building practices emerge. All code change proposals undergo extensive public review. An initiative to examine and improve the effectiveness of the regulatory system is in progress.

[11] The built environment encompasses all buildings, spaces and products that are created or modified by people. In this context it includes buildings, electrical equipment and systems, gas appliances and systems, elevating devices, boiler and pressure vessel products and systems, ski lifts and amusement rides.

Strategies

Key strategies for this objective include:

- Adoption of the BC Building and Fire Codes in an objective-based code format; and
- Monitoring enforcement of the codes and standards for specific technologies with buildings.

Performance Results

Performance Measure	2004/05 Actual	2005/06 Actual	2006/07 Target	2006/07 Actual
BC Building Code and *BC Fire Code* adopted in an objective-based format	N/A	N/A	Codes Adopted	Codes Adopted ACHIEVED

Data Source: Office of Housing and Construction Standards.

Discussion of Results

In 2006/07, the Office of Housing and Construction Standards met its objective of adopting the *BC Building Code* and the *BC Fire Code* in an objective-based format. This new format is expected to make it easier for the construction industry to take advantage of innovative building techniques, while still achieving the same level of safety.

The measure *Safety index to be established and maintained or improved* was eliminated in the 2007/08 Service Plan to recognize that the British Columbia Safety Authority is delegated responsibility for delivering technical safety programs, and monitoring the results.

Objective 1.2: B.C. homeowners are protected

Safety can be judged by the lack of building failure. Building failure can be determined by the number of claims made under home warranty insurance programs. The Homeowner Protection Office, which reports to the Minister Responsible for Housing, monitors the performance of the mandatory third-party home warranty insurance system for new home construction and building envelope renovations.

Strategies

Key strategies for this objective include:

- Monitoring the number of claims made under the mandatory home warranty insurance program; and
- Working with industry on measures to improve the quality of construction if claim numbers exceed acceptable levels.

Performance Results

Performance Measure	2002/03 Benchmark	2004/05 Actual	2005/06 Actual	2006/07 Target	2006/07 Actual
Home warranty claims within industry norms	<4%	N/A	N/A%	≤3%	6% Not Achieved

Data Source: Homeowner Protection Office. While the benchmark was set in 2002/03, this measure was not presented in the Office of Housing and Construction Standards' Service Plan until 2006/07.

Discussion of Results

Based on the 2006/07 consumer survey, six per cent of homeowners involved their warranty provider in resolving a problem with their home. The target for the period was under three per cent. The consumer survey is being used as a proxy for actual claims data. Unfortunately, the survey only tells us that these homeowners have involved their warranty provider. This does not mean that it was an actual valid claim. The Homeowner Protection Office is working with home warranty providers to obtain aggregate claims data. Understanding the nature of the claims will enable the Homeowner Protection Office to identify and implement measures that will address specific problems.

Goal 2: Housing and support services are targeted to those most in need

Effective integration of housing services, supports and resources is required to improve the movement of people along the housing continuum: from temporary shelters — to transitional housing to supportive or permanent housing.

Recent research indicates that the most effective approach to addressing homelessness is the "continuum of care" model, which emphasizes housing with integrated support services. Benefits include better health and personal outcomes for homeless people and avoidance of higher cost institutional services (i.e., hospitals, emergency health services and correctional facilities).

With the shift to giving B.C.'s most vulnerable citizens priority access to social housing, linking housing with other social supports has become increasingly important. This shift will require clearly defined roles and responsibilities as well as new working relationships among the partners supporting vulnerable social housing tenants. Partnership strategies and initiatives are integral to ensuring appropriate programs and services.

Objective 2.1: Individuals in need have access to emergency shelter

Homelessness is a serious issue faced by some British Columbians. As a first step in addressing the needs of the homeless, government provides funding for emergency shelter beds to community agencies to assist individuals who are temporarily without accommodation. Funding provides for year-round beds and additional capacity during the winter months.

The economic and social cost of homelessness to Canadian communities is extremely high. Research in British Columbia estimates the cost of homelessness in 2001 at $30,000 to $40,000 per person for one year.[12] The IBI Group estimates that the societal cost of homelessness in Canada was approximately $1.4 billion per year in 2003.[13] The greatest expenditures are in health care, criminal justice, social services and shelters. Ensuring that vulnerable populations have access to secure housing and support services at an early stage reduces the demand and costs on institutional and emergency support systems.

Making it easier for people to move from shelters into transitional housing, and then on to more permanent and supportive housing, shifts the emphasis away from providing greater numbers of temporary shelter beds.

Strategies

Key strategies for this objective include:

- building new transitional and supportive housing with integrated support services for the homeless to address space shortages during peak periods of demand; and
- introducing outreach teams to assist homeless individuals to access services such as income assistance, health care and housing.

Performance Results

Performance Measure	2004/05 Actual	2005/06 Actual	2006/07 Target	2006/07 Actual
Percentage of nights where shelters at full capacity	N/A	N/A	Establish Baseline	Baseline Established ACHIEVED

Data Source: BC Housing Management Commission.

[12] Eberle, Margaret, Deborah Kraus, Steve Pomeroy, and David Hulchanski. 2001. *Homelessness: Causes and Effects. Volume 3. The Costs of Homelessness in British Columbia. Victoria*: Ministry of Social Development and Economic Security.

[13] IBI Group. 2003. *Societal Cost of Homelessness*. Prepared for the Edmonton Joint Planning Committee on Housing and the Calgary Homelessness Foundation.

Discussion of Results

Measuring success in alleviating homelessness is difficult. This is due to the transient nature of the population, the complexity of the problem and the privacy information issues that arise from collecting the data. This performance measure allows government to track emergency shelter bed usage and ensure that resources are allocated where they are needed most. The measure is a comparison between the number of nights where emergency shelter beds are fully occupied and the total number of nights these beds are available.

Since BC Housing recently assumed responsibility for this program and historical data are limited, a baseline for this measure has been developed. Results will be published in subsequent Service Plans as data is collected. The objective this year was to establish a baseline. The baseline was established in 2006/07 at 50 per cent or less.

Objective 2.2: Housing and support services targeted to priority groups

The most acute need for housing is found among low-income people who have special housing and support needs. This includes people with mental or physical disabilities, seniors with special needs, the homeless or those at risk of homelessness and individuals or families who have experienced domestic violence. Government's response to this group is not limited to housing, but also includes health and other social supports. This group is often referred to as "the most vulnerable."[14] Research indicates that providing adequate, stable and affordable housing to the most vulnerable can avoid higher health care and social service costs.[15]

Strategies

Key strategies for this objective include:

- completion of a devolution agreement and the harmonization of federal and provincial policies for the social housing stock; and
- continuing to build new units, convert existing subsidized housing, and providing rent supplements for low income households with special needs, including Phase II of the Independent Living BC program.

[14] The "most vulnerable" are defined as those individuals who have a low income and a special housing need that inhibits their ability to find appropriate housing in the private market. A special housing need refers to the requirement for accessibility modifications or provincially funded support services in order to live independently in the community.

[15] Eberle, Margaret, Deborah Kraus, Steve Pomeroy, and David Hulchanski. 2001. *Homelessness: Causes and Effects. Volume 3. The Costs of Homelessness in British Columbia.* Victoria: Ministry of Social Development and Economic Security.

Performance Results

Performance Measure	2004/05 Actual	2005/06 Actual	2006/07 Target	2006/07 Actual
Percentage of assisted clients belonging to priority groups	N/A	84%	84%	83% Substantively Achieved
Number of units/beds created or adapted for priority clients	N/A	N/A	240 adapted 1,997 created	500 adapted 2,472 created Exceeded

Data Source: BC Housing Management Commission. The information presented here is the actual number of clients belonging to priority groups (as defined below) and the actual number of units/beds created or adopted for priority clients.

Discussion of Results

Current priority groups include seniors with special support needs, persons with physical or mental disabilities, and individuals who are homeless or at risk of becoming homeless, including women with children who have experienced domestic violence. The target reflects the number of households currently living in social housing or receiving assistance in the private market that come from one of the priority groups and who face a combination of challenges in addition to low income. The percentage of households assisted from the priority groups will continue to increase as existing units turn over and new units are completed.

The 2006/07 target for the percentage of clients who belong to priority groups was 84 per cent, and the actual result was 83 per cent. This reflects a commitment to helping those who are most vulnerable. This is consistent with the province's vision to build the best system of support in Canada for groups such as those with special needs and seniors.

The number of units/beds created for priority clients was significantly over the target in 2006/07 due to a record number of new assisted living units being created under Independent Living BC and the Provincial Homelessness Initiative. The target for the number of units adapted was exceeded because BC Housing placed a higher priority on creating partnerships with health and community service providers, which resulted in a greater number of units being converted.

Objective 2.3: Senior renters receiving assistance in order to maintain independence

To account for large variations in rent in different parts of the province, the Shelter Aid for Elderly Renters (SAFER) program rent ceilings have been updated to reflect the costs of homes available for rent to low-income households. Revising rent ceilings and raising the average benefit levels significantly increased the number of eligible seniors, improved fairness, and helped improve the system of support for seniors. To recognize manufactured homes as a viable and affordable housing option for many seniors, the SAFER program has been expanded so that rents paid for manufactured home sites are also eligible for assistance. As a result of these enhancements, the average benefit to SAFER recipients rose from $105 to $160 a month, an increase of $55.

Strategies

Key strategies for this objective include:

- providing rent assistance in the private market;
- providing those in need with access to social housing; and
- providing access to housing and supports through Independent Living BC.

Performance Results

Performance Measure	2004/05 Target	2005/06 Actual	2006/07 Target	2006/07 Actual
Number of senior households assisted through housing programs	N/A	36,860	53,100	47,576 Substantively Achieved

Data Source: BC Housing. The information presented here is the actual number of seniors households receiving assistance in 2006/07.

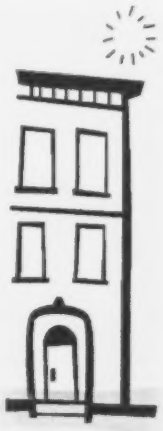
Discussion of Results

This measure reflects the province's commitment to meeting the needs of seniors with low incomes and those with special support needs.

A total of 47,576 seniors are assisted through the SAFER program, ILBC units, social housing and units that were transferred from the federal to provincial government. Ninety per cent of the 2006/07 target was achieved partly because the take up for SAFER did not reach expected levels. A total of 15,272 seniors received assistance through SAFER, and another 2,886 accessed assistance through ILBC units. In addition, 22,283 seniors were assisted through social housing units. This measure includes a total of 7,135 units transferred from the federal to the provincial government.

Goal 3: Low and moderate income households have an expanded range of housing options

Affordable rental housing in the private market is becoming increasingly scarce, particularly in Greater Vancouver and Victoria. The Vancouver Census Metropolitan Area vacancy rate is currently 0.7 per cent while Victoria's Census Metropolitan Area vacancy rate is even lower in at 0.5 per cent.[16] The primary reasons for this are a lack of new affordable housing supply, a booming economy and an in-migration of workers.



There is minimal construction and investment in affordable rental housing in the private market and any units that are added are in the higher rent ranges. Evidence suggests that in spite of the high demand, market rent levels are below the levels required to generate a reasonable return on investment for new construction.

On the other hand, investor-owned condominiums and secondary suites in new and existing homes provide opportunities for expanding the supply of available housing. Over the past few years, the province has worked closely with local governments to promote the development of affordable market rental housing and permissive secondary suite bylaws. This work will continue.

Objective 3.1: Local governments have access to information and planning tools to achieve their goals with respect to affordable housing options in their communities

The provincial government's ability to impact market housing affordability is limited. Local Governments are best positioned to improve the affordability of market housing through innovative planning and development practices. The province is committed to helping to improve the sharing of best practices in this area.

Since 1996, the province has periodically surveyed all local governments to measure the use of planning tools that promote housing affordability. The results of the survey have been summarized and published, and are useful to local governments in describing their individual advances in planning for housing affordability.

In 2006/07, as part of an educational strategy, the Office of Housing and Construction Standards worked with local governments and industry stakeholders to develop and deliver customized workshops on improving market housing affordability.

[16] CMHC Rental Market Report, B.C. Highlights October 2006 Survey.

Tools, guides and workshops continue to be developed and implemented in partnership with local governments, non-profit housing providers and industry to enhance affordability and increase housing options. Planning guides assist with addressing a number of housing issues: secondary suite programs; community planning initiatives; design guidelines; financial incentives; and land use planning and zoning tools. Legislation has been introduced to allow developers access to purchasers' deposit monies if those monies are appropriately insured. By lowering development costs, it is expected that the consumer will benefit.

Strategies

Key strategies for this objective include:

- providing resources, research and expertise on market housing affordability for local governments;
- providing legislative and regulatory development to limit regulatory impediments in the housing market; and
- surveying local governments to determine the use of planning tools provided.

Performance Results

Performance Measure	2002/03 Baseline	2004/05 Actual	2005/06 Actual	2006/07 Target	2006/07 Actual
Percentage of local governments in communities over 100,000 that apply affordable housing planning tools and techniques	69.9%	N/A	N/A	75%	100% EXCEEDED

Data Source: Office of Housing and Construction Standards telephone survey of Local Government with populations greater than 100,000. Survey completed every three years.

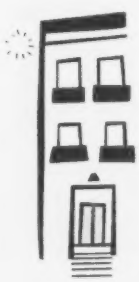
Discussion of Results

This performance measure reflects the extent to which communities with over 100,000 residents use planning tools and techniques to help increase the stock of affordable housing within their communities. In 2006/07, those communities used at least one planning tool or technique to encourage the availability of affordable housing. This demonstrates that large municipalities are engaged in trying to increase the availability of affordable housing in their communities. Municipalities across B.C. recognize that affordable housing is important to attract and retain residents and for economic development.

Goal 4: Balanced landlord and tenant rights and responsibilities

The Office for Housing and Construction Standards strives to support a balance between landlords and tenants with respect to their rights and responsibilities under the *Residential Tenancy Act* and the *Manufactured Home Park Tenancy Act*. The Residential Tenancy Branch provides landlords and tenants with information about their rights and responsibilities, and dispute resolution services, including arbitration.

At present there are limited consumer protections and dispute resolution services available for landlords and tenants in assisted living and supportive housing tenancies. These tenants are particularly vulnerable, and may have difficulty with the formal and adversarial arbitration system used by landlords and tenants in the traditional rental market to resolve disputes. Mediation and other forms of alternative dispute resolution may, in many circumstances, provide a better resolution for both parties than the formal arbitration process.



Clients contacted the Office of Housing and Construction Standards 313,000 times in 2006-2007 by telephone, fax, e-mail or by visiting one of its three Residential Tenancy offices in person. In addition, the Office conducted 28,000 dispute resolution proceedings. With such a high demand, the Office must provide efficient, cost-effective services. It must also ensure that times for completing dispute resolution proceedings are within time limits set by legislation. Landlords and tenants want convenient access to high quality services that are responsive to their needs.

Objective 4.1: Consumer protection in place for assisted living and supportive housing landlords and tenants

Previously, landlords and tenants of assisted living and supportive housing facilities had to deal with disputes on their own or go to court. By including these facilities under the *Residential Tenancy Act*, the landlords and tenants, many of whom are seniors and people with disabilities, have a simple and inexpensive way to resolve their disputes.

Strategies

The key strategy for this objective is to broaden the scope of the legislation so that it would also apply to assisted living and supportive housing landlords and tenants.

Performance Results

Performance Measure	2004/05 Actual	2005/06 Actual	2006/07 Target	2006/07 Actual
Legislation in place to extend protection to landlords and tenants in assisted living and supportive housing arrangements	N/A	N/A	Introduce amendments to legislation	Legislation introduced ACHIEVED

Data Source: Office of Housing and Construction Standards.

Discussion of Results

This measure was achieved when the *Residential Tenancy Act* was amended to apply to these types of housing arrangements.

The Office is consulting with other provincial agencies to determine the best way to serve these landlords and tenants.

Objective 4.2: Landlord and tenant disputes are avoided or resolved in a timely manner

An effective residential tenancy system means that landlords and tenants are provided with timely information about their rights and responsibilities to help them resolve disputes on their own, and that dispute resolution hearings are conducted in a timely manner.

Strategies

Key strategies for this objective include:

- ensuring that hearings are scheduled on a timely basis; and
- increasing the Residential Tenancy Branch's capacity to assist with disputes.

Performance Results

Performance Measure	2004/05 Actual	2005/06 Actual	2006/07 Target	2006/07 Actual
Percentage of residential tenancy arbitrations scheduled to take place within six weeks or less	N/A	70%	92%	78% NOT ACHIEVED

Data Source: Office of Housing and Construction Standards. This number is based on closed and cancelled files; it does not include files which are currently open or ongoing.

Discussion of Results

The performance measure reflects the ability of the Office of Housing and Construction Standards to meet the statutory time limits for dispute resolution hearings. In 2006/07, 78 per cent of dispute resolution proceedings were scheduled to take place within six weeks of the filing date. Since the previous fiscal year, the number of proceedings conducted by the Office increased from approximately 18,000 to 28,000. Demand for services continues to rise, due to an active economy and a booming housing market. The Office has made a number of key procedural changes to improve the overall efficiency of the process and has hired a number of new, full-time dispute resolution officers. The Office continues to look for ways to meet service targets in this climate of increasing demand.

The Office is now providing dispute resolution services through dispute resolution officers. A number of new, full-time dispute resolution officers were hired, which allows for better, faster service for landlords and tenants who apply for dispute resolution.

Report on Resources

The Office of Housing and Construction Standards' budget provides funding for housing and construction standard policy development as well as policy and operations within the Residential Tenancy Branch. Housing and construction standard programs are delivered by Crown Agencies, including BC Housing and the Homeowner Protection Office, with funding transferred from the Office of Housing and Construction Standards.

Approximately 90 per cent of the budget is transferred to BC Housing for housing assistance programs.

Resource Summary Table

	Estimated	Other Authorizations[1]	Total Estimated	Actual	Variance
Operating Expenses ($000)					
Housing	202,023	7,196	209,219	208,826	(393)
Building and Safety Policy	1,762		1,762	1,984	222
Residential Tenancy	5,917		5,917	6,088	171
Total	**209,702**	**7,196**	**216,898**	**216,898**	**0**
Full-time Equivalents (FTEs)					
Housing	24		24	22.4	(1.6)
Building and Safety Policy	20		20	17.28	(2.72)
Residential Tenancy	59		59	54.27	(4.73)
Total	**103**		**103**	**93.95**	**(9.05)**
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)					
Housing	67		67	67	0
Residential Tenancy	54		54	54	0
Total	**121**		**121**	**121**	**0**

[1] Contingencies

Core Business Areas

The Office of Housing and Construction Standards has three core business areas:

Housing — develops housing policy and provides executive and support services to the Office of Housing and Construction Standards. Funding also goes to the BC Housing Management Commission to protect and enhance the supply of adequate and affordable housing and to the Homeowner Protection Office to assist individuals under the Provincial Sales Tax Relief Grant Program.

Building and Safety Policy — develops building and safety policy, and administers the British Columbia Building and Fire Codes, the *Safety Standards Act* and the *Safety Authority Act*.

Residential Tenancy — provides residential tenancy services including resolving landlord and tenant disputes, and administers the *Residential Tenancy Act* and the *Manufactured Home Park Tenancy Act*.

Ministry Contact Information

Office of Housing and Construction Standards
Website: http://www.housing.gov.bc.ca
Reception: 250 356-6633 Fax: 250 356-9377

Residential Tenancy Branch
Website: http://www.rto.gov.bc.ca

Victoria
Telephone: 250 387-1602
1st Floor, 1019 Wharf Street
Victoria, BC V8V 1X4

Lower Mainland
Telephone: 604 660-1020
400 - 5021 Kingsway
Burnaby, BC V5H 4A5

Elsewhere in B.C.
Telephone: 800 665-8779
101 - 2141 Springfield Road
Kelowna, BC V1Y 7X1

Annual Service Plan Report Appendices

Appendix A: Ministry of Forests and Range Links

The **legislation** which is administered by the Ministry of Forests and Range can be accessed at: http://www.for.gov.bc.ca/tasb/legsregs/comptoc.htm

A **glossary of forest and range terms**: http://www.for.gov.bc.ca/hfd/library/documents/glossary/

Crowns, Agencies, Boards and Commissions associated with the Ministry of Forests and Range:

Crowns:

Forestry Innovation Investment Ltd. and FII Consulting (Shanghai) Company Ltd. (subsidiary): http://www.bcfii.ca/

Major Commissions and Boards:

Forest Appeals Commission: http://www.fac.gov.bc.ca/

Forest Practices Board: http://www.fpb.gov.bc.ca/

Appendix B: Mountain Pine Beetle Action Plan Report

Mitigating the impacts of the mountain pine beetle infestation goes well beyond forestry-related activities or the scope of any one ministry. The Mountain Pine Beetle Action Plan provides a broader, longer-term approach involving all appropriate government ministries.

The federal government has contributed funding that will assist the Province in implementing the five-year action plan components that are of federal interest. Other components are being supported by the Province or through licence agreements with industry. Those initiatives are included in other areas of this service plan.

The federal funding provided in 2006 addresses strategies that support the objectives of the action plan aimed at mitigating the social, economic and environmental consequences of the mountain pine beetle infestation now and in the future.

Objective 4: Long-term economic stability is encouraged for communities affected by the mountain pine beetle epidemic

This objective is to encourage economic sustainability for communities affected by the mountain pine beetle epidemic by supporting the development and implementation of socio-economic adjustment plans for forest-dependent communities and First Nations within the affected areas.

Program: Community Diversification and Stability

Strategy

- Support development of regional socio-economic adjustment planning including exploration of possibilities for economic diversification, economic pre-feasibility analysis on opportunities, investment recruitment, business retention, community marketing and general economic research.

This objective and strategy are achieved through the coordinated efforts of the Province, regional Beetle Action Coalitions and the First Nations Forestry Council. During 2006/07 financial assistance was provided to the First Nations Mountain Pine Beetle Working Group, the Cariboo-Chilcotin Beetle Action Coalition and the Omineca Beetle Action Coalition for the preparation of related studies and regional mitigation strategies. In 2006/07, a Southern Interior Beetle Action Coalition began to form and it is expected that its business plan and request for initial funding will be presented during 2007/08.

Discussion of Results

When the Mountain Pine Beetle Action Plan was first introduced the objective for this program was to establish one regional community association each year for three years. In 2005/06 both the Cariboo-Chilcotin Beetle Action Coalition and the Omineca Beetle Action Coalition were established and initially funded according to their submitted business plans and submitted revised business plans in 2006/07 in order to obtain additional funding for the preparation of related studies and mitigation strategies. A Southern Interior Beetle Action Coalition formed in March 2007 and is expected to submit a business plan during 2007/08.

In addition the First Nations Mountain Pine Beetle Initiative was established during 2006/07 and financial assistance provided.

Program: Natural Range Barrier Mitigation

This activity will help mitigate the impact of the mountain pine beetle on livestock production by controlling livestock distribution and protecting environmental rangeland values in affected communities.

Strategies

- Redistributing livestock will be facilitated by replacing natural range barriers and range developments lost or damaged during timber harvesting and associated road construction (not associated with forest licensee responsibilities under the *Forest Range and Practices Act*).
- Supporting developments to redistribute livestock to use forage produced in beetle kill areas and to control invasive plant spread.

Performance Indicator	2005/06 Actual	2006/07 Target	2006/07 Actual
Animal Unit Months of forage protected from loss due to mountain pine beetle impacts	0	68,000	92,000 EXCEEDED

Data Source: Ministry of Forests and Range, Range Branch.

Discussion of Results

The Ministry of Forests and Range is supporting the British Columbia Cattlemen's Association as the delivery agent for establishing fencing to mitigate mountain pine beetle impacts. In 2006/07, 28 projects were approved for a total of 106 kilometres of fencing. In addition, natural range barrier mapping was completed in nine forest districts and is underway in one additional district. The Ministry of Forests and Range collaborated with Ministry of Environment to re-establish range barriers which protect riparian areas and sensitive ecosystems.

The achievement of 92 000 Animal Unit Months includes 24 000 Animal Unit Months that were originally to be protected from loss in 2005/06, but due to funding delays were completed in 2006/07 together with the targeted 68 000 Animal Unit Months.

Objective 2: Maintain and protect worker and public health and safety

This objective reflects the Ministry's intent to maintain and protect public health, safety and infrastructure. By focusing on red and green attack stands and reducing the potential risk of catastrophic losses from wildfires to the communities of B.C.

Program: Fuel Management

Strategies

- Conduct treatments including prescribed burning, slash removal on harvested areas, and removal of non-economic mountain pine beetle-affected stands within the interface areas surrounding communities affected by mountain pine beetle; thus reducing the risk of ignition and mitigating the potential impacts of wildfire.
- The Provincial Fuel Management Strategy has identified 460 000 hectares as potentially needing treatment due to the presence of mature pine and proximity to communities. Ten per cent of this is adjacent to First Nations reserve lands. Partnerships have been established to deliver fuel treatments with communities. The Union of British Columbia Municipalities and First Nations Emergency Services Society will be facilitating treatments for local governments and First Nations.

Performance Indicator	2005/06 Actual	2006/07 Target	2006/07 Actual
Hectares treated for fuel management to protect interface areas impacted by mountain pine beetle	2 278	4 770	4 100 SUBSTANTIVELY ACHIEVED

Data Source: Community agreement recipients report achievements through the program's third-party delivery agents who report summary achievements to the Ministry of Forests and Range on a quarterly basis.

Discussion of Results

In 2006/07, best management practices for fuel management in mountain pine beetle affected areas were developed. A First Nations Fuel Management Working Group with federal, provincial and First Nations representation is working to simplify and streamline fuel management for First Nations. Staffing at the First Nations Emergency Services Society has been augmented with an additional technical specialist to accelerate program implementation. To ensure communities are aware of mountain pine beetle community protection initiatives, the Society has contacted

over 50 First Nation communities. The First Nations Emergency Services Society is proceeding with eight applications for fuel management plans for First Nations communities and operational treatment projects have been approved for two First Nations communities.

Wildfire hazard was also reduced in 13 provincial parks through fuel removal and establishment of fuel breaks and planning was completed for a further seven park wildfire hazard reduction initiatives in 2007/08.

Ministry Response

Planning and treatment implementation programs are well established for municipalities and Regional Districts, and an initial lag in developments for First Nation communities is being overcome by streamlining federal and provincial planning requirements so that treatments can begin.

Objective 3: Recover the greatest value from dead timber before it burns or decays, while respecting other forest values

This objective reflects the Ministry's intent to recover the greatest value from beetle-attacked timber. The federal funding is focused on ensuring that market access and manufacturing problems do not limit a successful long-term salvage program.

Program: Research and Development — Wood Products

Strategies

- Maximize opportunities for mountain pine beetle attacked timber and fibre in existing and new product lines through technical support and product research.
- Maximize international opportunities for mountain pine beetle impacted B.C. Lodgepole Pine products through market development and market communications activities.

Performance Indicator	2005/06 Actual	2006/07 Target	2006/07 Actual
Number of new products/applications for mountain pine beetle timber identified and introduced to markets	4	4	4 ACHIEVED

Data Source: FII Ltd. reports this data to the Ministry quarterly and annually.

Discussion of Results

Specific new products/applications identified for mountain pine beetle fibre in 2006/2007 were:

- Borate treated lumber for U.S. residential housing construction.
- Mountain pine beetle specialty plywood with superior glue bond performance, stiffness and strength for concrete forming.
- New line of small dimension bluestained mountain pine beetle treated landscape products.
- Oriented Strand Board strands manufactured from sawmill wood waste.
- Ethanol from mountain pine beetle fibre.

Objective 4: Conserve the long-term forest values identified in land use plans

Land use plans include conservation and ecological objectives. The epidemic has consequences for tourism, conservation, wildlife habitat and biological diversity objectives and these must therefore be taken into account in the mitigation plan. Federal funding will ensure management of parks and protected areas incorporates an assessment of the impacts of the epidemic on conservation values.

Program: Parks and Protected Areas Mountain Pine Beetle Mitigation

Strategies

- Mitigate the impact of the epidemic on provincial parks and protected areas through controlled burns or other treatments that will mitigate the impacts of the beetle.
- Work closely with the Ministry of Environment — BC Parks division, in conducting single tree treatments in parks bordering Alberta and within critical pathways for beetle spread toward the border.

Performance Indicator	2005/06 Actual	2006/07 Target	2006/07 Actual
Per cent of at risk sites treated in parks and protected areas to mitigate impacts of the mountain pine beetle infestation	22%	63%	59% SUBSTANTIVELY ACHIEVED

Data Source: Ministry of Environment, through regional coordinators and internal tracking mechanisms.

Discussion of Results

Mountain pine beetle mitigation projects completed for 12 sites provincially, including removal of dead and dying mountain pine beetle killed hazard trees near facilities, campgrounds, parking lots, day use areas, and trails. Mountain pine beetle control to minimize spread to Alberta was completed in four north eastern parks including fall and burn of 5 698 trees in Mount Robson Park.

Objective 5: Prevent or reduce damage to forests in areas that are susceptible but not yet experiencing epidemic infestations

The mountain pine beetle epidemic is on course to kill greater than 80 per cent of the mature population of pine in British Columbia and has the potential to spread across the boreal forest to impact western, central and eastern Canada. The purpose of the spread control program is two fold:

- First, to slow the spread of the beetle into Alberta to provide time for the government of Alberta to implement mitigation strategies, accelerate development of potentially impacted areas, and implement strategies to recover economic value from dead and susceptible pine forests. This will also assist Parks Canada in their mitigation efforts within national parks along the B.C. / Alberta border.
- Second, to halt the northward progression of the beetle onto the northern boreal forest. This will be accomplished by working in partnership with the northern forest districts and using the climatic conditions to advantage.

Program: Spread Control

Strategy

Conduct aerial and ground surveys, spot treatments, prescribed burns and incremental costs for strategic harvesting, such as access improvement planning, to destroy the beetles before they emerge and spread.

Harvesting is the most effective method of spread control. Where harvesting is not practical the continuing strategy is to conduct aerial and ground surveys and follow up with single tree treatments to destroy the beetles before they emerge and spread. Prescribed burns may also be used to create a mosaic of less susceptible age classes.

The target for the spread control program is to treat 80–100 per cent of infested trees within strategically defined areas.

Significant progress was made towards this strategy commencing with aerial surveys conducted by the Ministry in summer and fall 2006. Critical pathways for mountain pine beetle spread were identified as special management zones prioritized for concentrated effort of ground surveying and treatment. The focus over the next two years will be to continue concentrated efforts in the highest priority areas closest to the Alberta border.

There are four B.C. / Alberta border forest districts in the spread control program, the Peace Forest District, Headwaters Forest District, Columbia Forest District and Rocky Mountain Forest District.

- The spread control program in the southern districts (Headwaters, Columbia and Rocky Mountain Districts) has been highly effective in achieving spread control targets. In the Columbia and Rocky Mountain Forest Districts during the detection phase of the spread control program, the ratio of newly infested trees to the previous years infested trees was found to be reduced. The Alberta Ministry of Sustainable Resource Development has consistently achieved 100 per cent suppression adjacent to these districts.
- The Peace Forest District which forms approximately one third of the B.C. / Alberta border was the focus of the majority of work in 2006/07 due to a massive aerial dispersal of beetles in to the northeast portion of the district and into Alberta. Detection work to assess the spread of the beetle into Alberta will be conducted by the Alberta Ministry of Sustainable Resource Development and will be used to determine the strategy for 2007–2008.

Performance Indicator	2005/06 Actual	2006/07 Target	2006/07 Actual
Hectares treated through single tree treatments to control rate of spread of mountain pine beetle	6 050	3 750	48 939 EXCEEDED

Data Source: Forest Districts, Licensees and third-party delivery agents under agreement to carry out these treatments.

Discussion of Results

The 3 750 target was substantively over-achieved due to the unprecedented beetle dispersal event in the Peace District. The increase in the number of trees infested and federal phase-two funding in the amount of $23.5 million dollars being made available for the expanded spread control program resulted in a dramatically higher number of trees treated.

The number of trees treated as reported above was calculated from the basal area of 173 173 trees that were felled and burned. These trees were detected as a result of 7 679 517 hectares of detailed aerial surveys and 1 387 356 hectares of ground surveys.

Objective 6: Restore the forest resource in areas affected by the mountain pine beetle epidemic

This objective includes a variety of initiatives focused on restoring the damaged forest and associated environmental values. It includes programs fundamental to the restoration work and is highly integrated with the activities of other funding sources and Ministry initiatives such as the Forests for Tomorrow program.

Program: Inventory

To provide up-to-date timber and non-timber inventory information to forest resource managers, given the rapidly changing dynamics of the forests as a results of the mountain pine beetle epidemic. Federal funding will support work aimed at beetle infestation issues and mitigation analysis work and to provide planning information on the spread of the beetle to support the spread control, salvage and follow-up mitigation/restoration programs.

Strategies

Ensure that the various mitigation initiatives have the required land, inventory and mapping information they need to succeed.

Performance Indicator	2005/06 Actual	2006/07 Target	2006/07 Actual
Number of map sheets imaged of area susceptible to mountain pine beetle infestation	939	400	575 EXCEEDED

Data Sources: Internal Ministry tracking.

Discussion of Results

The overachievement of 575 map sheets imaged in areas susceptible to mountain pine beetle impacted areas, was possible due to exceptional weather during the air photo acquisition (flying season) phase of this project. This allowed more coverage than normally expected.

Other activities included:

- Ortho mapping of red and grey attack areas based on 2005 imagery.
- Ground calibration phase of mountain pine beetle change detection.
- Data collected from 400 of the 600 samples needed to adjust the mountain pine beetle spread model.
- Data for shelf life collected from three sample areas in the sub-boreal spruce biogeoclimatic zone, analyzed data and produced report on merchantability (in collaboration with the Canadian Forest Service).

- Fisheries, watershed and mountain pine beetle data consolidation in five Ministry of Environment regions for input to watershed assessment tools.

Program: Bio-Physical Research

To supplement applied research efforts that provide related information for policy evolution and for resource planning and treatment decision making.

Strategies

Provide credible and relevant scientific knowledge to support the conservation of long-term forest values identified in land use plans and restoration of forest resources in areas affected by the epidemic.

Performance Indicator	2005/06 Actual	2006/07 Target	2006/07 Actual
Number of research products or extension events for priority mountain pine beetle issues	31	60	131 EXCEEDED

Data Source: Ministry Research Branch and the program third-party delivery agent report results to the Ministry's bio-physical research co-ordinator.

Discussion of Results

This measure indicates the number of research products and extension events that provide mountain pine beetle related research information for policy evolution and for resource planning and decision making. Research products may include extension notes, technical reports, brochures, workshop presentations, workshop or conference proceedings; training packages, posters, manuals and handouts; field handbooks or guides, field forms, cards, survey and evaluation procedures, web pages/major website updates or models and model updates. Events include forest science courses, demonstrations, presentations, workshops, training, field trips or tours. Internet based extension and any other event which conveys research findings to 10 or more people from the same organization, or to meetings/extension events with two or more other organizations/agencies.

A total of 131 research products and extension events were reported, significantly over the estimated target. One hundred and nineteen products and extension events were delivered through PricewaterhouseCoopers LLP with an additional 12 products and extension events produced directly through the Ministry of Forests and Range.

Ministry Response

The 2006/07 estimated target for projects administered through PricewaterhouseCoopers LLP was 49. This was a very conservative estimate based on the number of projects which could be funded, with only one or two products from each. It was expected that each project would produce a technical report or executive summary of their work and one extension event. Twenty-six research projects and related extension events were funded through FORREX in 2006/07. Researchers and extension specialists were more successful than anticipated and were able to provide more extension events and products than originally estimated, thereby exceeding the target.

Program: Ecosystem Restoration

To assess and mitigate the environmental effects on fish, water quality, endangered species and biodiversity (delivered under agreement with and by the Ministry of Environment).

Strategies

Address mountain pine beetle impacts through planning, surveys and treatments for terrestrial and aquatic species and habitat restoration, water quality/quantity and other non-timber objectives.

Performance Indicator	2005/06 Actual	2006/07 Target	2006/07 Actual
Number of watersheds treated for ecosystem restoration as required as a result of mountain pine beetle	1	8	9 ACHIEVED

Data Source: The delivery agent for Ministry of Environment, reports quarterly to Ministry of Forests and Range.

Discussion of Results

In 2006/07, nine watershed groups were assessed and or had restoration treatment activities. A minor over achievement resulted in some efficiencies found in using the assessment tools and by collaborating with industry. The benchmark unit (watershed group) is used in fisheries and watershed planning by Ministry of Environment. There are approximately 190 watershed groups forecast to have significant impacts from mountain pine beetle. Assessment work focused on parks and sensitive ecosystems (e.g., aquatic and species at risk habitats). Results from this year build on the completion of a ecological restoration strategy and assessment protocols. Assessments completed in 2006/07 will direct treatments in subsequent years.

A protocol and draft prescriptions were developed to address pre- *Forest Practices Code* culverts that create fish passage barriers; assessments of opportunities for impact mitigation or restoration on seven species and four sensitive ecological features were conducted, and best management practices guide for controlling invasive alien species following mountain pine beetle salvage harvesting was produced.

Ministry Response

The minor over achievement in performance indicator resulted from efficiencies in use of the assessment tool and from collaboration with forest licensees. The same efficiency in assessment can be expected in future years. However, as the program moves steadily into more treatment and monitoring, productivity is likely to fall in line with the initial performance indicators.